

the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10446. By Mr. O'MALLEY: Petition signed by residents of New York City and Brooklyn, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10447. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, memorializing Congress against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10448. By Mr. SCHNEIDER of Wisconsin: Petition signed by residents of Brooklyn, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10449. By Mr. SCOTT: Petition signed by residents of Columbus, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10450. Also, petition signed by residents of Scranton, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10451. Also, petition signed by residents of Alhambra, San Gabriel, San Pedro, Los Angeles, and San Francisco, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10452. Also, petition signed by residents of Philadelphia, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10453. By Mr. SHORT: Petition of 39 patrons of star route no. 45420, Cato to Cassville, Mo., supporting legislation providing for permanent tenure of service on star routes and pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

10454. Also, petition of 21 residents of Dallas County, Mo., supporting legislation providing for permanent tenure of service on star routes and pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

10455. By Mr. THOMASON: Petition of citizens of Sierra Blanca, Tex., urging passage of House bill 3263, to amend the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

10456. By Mr. WEARIN: Petition signed by residents of Bridgewater and Dayton, Va., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10457. By Mr. WITHROW: Petition signed by residents of New York City, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10458. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing Congress against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10459. By the SPEAKER: Petition of the Alfred Gooding Guild, Young People's Religious Union of the South (Unitarian) Church, of Portsmouth, N. H.; to the Committee on Foreign Affairs.

10460. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on the Judiciary.

10461. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on Expenditures in the Executive Departments.

10462. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners, of Marissa, Ill.; to the Committee on Banking and Currency.

10463. Also, petitions of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on Military Affairs.

10464. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on Agriculture.

10465. Also, petition of the United Korean Christian Society of Hawaii; to the Committee on Foreign Affairs.

10466. By Mr. BUCKLER of Minnesota: Petition signed by residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10467. By Mr. PATMAN: Resolution of delegates representing the independent retail grocers and food dealers of the entire city of New York, assembled at the Hotel Commodore on March 1, 1936, in the Fifteenth Annual Convention of the United Independent Retail Grocers and Food Dealers Association, Inc., favoring the passage of the Robinson-Patman bill in its present form; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 10, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 9, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Davis	Logan	Russell
Bailey	Dickinson	Long	Schwollenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McGill	Shipstead
Benson	Duffy	McKellar	Smith
Bilbo	Fletcher	McNary	Steiwer
Black	Frazier	Maloney	Thomas, Okla.
Bone	George	Minton	Thomas, Utah
Borah	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrnes	Hale	Norbeck	Vandenberg
Capper	Harrison	Norris	Van Nuys
Caraway	Hatch	O'Mahoney	Wagner
Carey	Hayden	Overton	Walsh
Clark	Holt	Pittman	Wheeler
Connally	Johnson	Pope	White
Coolidge	Keyes		

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS], is necessarily absent from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] continues to be absent because of illness, and that the Senator from Nevada [Mr. McCARRAN], the Senator from New Hampshire [Mr. BROWN], the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GERRY], and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

W. W. COOK

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 1837) for the relief of W. W. Cook, which were, on page 1, line 4, to strike out "refund" and insert "pay"; and, on page 1, line 6, to strike out all after "\$30", down to and including "Cook" in line 8, and insert "in full settlement of his claim against the United States for the refund due him on two broker's special tax stamps, no liability to such special tax having been incurred

by him, and for which refund he has made timely claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. DICKINSON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

BEND GARAGE CO. AND FIRST NATIONAL BANK, CHICAGO

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 2889) to authorize settlement, allowance, and payment of certain claims, which were, on page 1, line 11, to strike out all after "Sec. 2." down to and including "1933", in line 6, page 2, and insert: "That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the First National Bank of Chicago, for refund of \$11.75 on account of loss of that amount contained in official registered letter no. 942194, caused by robbery of a letter carrier in Chicago, Ill., on December 6, 1932, such amount being the unexpended balance of a deposit made by the said bank with the Postal Service to defray the expense of a cablegram to a postal official of Yugoslavia directing the return of registered letter no. 531940, mailed at Chicago, November 25, 1932, by Ivan Markovic and addressed to Marija Markovic in Yugoslavia. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$11.75 for the payment of this claim", and to amend the title so as to read: "An act for the relief of the Bend Garage Co. and the First National Bank of Chicago."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of the City of Portland, Oreg., favoring the enactment of legislation to complete the Columbia River development at Bonneville, Oreg., so as to provide power for domestic, agricultural, and industrial uses, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted at the annual meeting of the Association of American State Geologists, University, Va., favoring the enactment of legislation providing for the completion of the computations and adjustments of the existing field data for control surveys so as to prevent waste of public funds, which was referred to the Committee on Commerce.

He also laid before the Senate resolutions adopted by Burlington Local, Project Workers Union, of Burlington, and Project Workers Union Local, No. 2, of Pinehurst, in the State of Washington, requesting an investigation of the discharge of Z. H. Dobbs from the Everett, Wash., W. P. A. office, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of the Association of Lithuanian Workers, No. 12, New York, favoring the enactment of the so-called workers' social insurance bill, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Alfred Gooding Guild, Young People's Religious Union of the South (Unitarian) Church, of Portsmouth, N. H., favoring the enactment of legislation providing a referendum on war and take the profits out of war, which was referred to the Committee on Military Affairs.

Mr. KEYES presented a resolution adopted by the Conference of State Health Officers of the New England States at Boston, Mass., favoring the enactment of Senate bill 3958, to prevent the pollution of the navigable waters of the United

States, and for other purposes, which was referred to the Committee on Commerce.

Mr. COPELAND presented a resolution of the Polish Branch of the Socialist Party, New York City, N. Y., favoring the enactment of the so-called workers' social insurance bill, which was referred to the Committee on Finance.

REGULATION OF WATER CARRIERS

Mr. WAGNER presented a letter from Millard Division, No. 104, Order of Railway Conductors of America, of Middletown, N. Y., which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

ORDER OF RAILWAY CONDUCTORS,
MILLARD DIVISION, No. 104,
Middletown, N. Y., March 7, 1936.

HON. ROBERT F. WAGNER,

Senate Office Building, Washington, D. C.

DEAR SENATOR: At regular meeting of Millard Division 104, Order of Railway Conductors of America, held March 1 a resolution was passed asking for your support in having the following bills enacted into law at this session of Congress:

Senate bill 1632, Wheeler bill, covers regulation of water carriers. House bill 3263, Pettengill bill, eliminates long- and short-haul clause from Interstate Commerce Act.

With kindest regards, I am,

Very truly yours,

A. L. VAUGHAN,
Legislative Committeeman, Division 104.

PREVENTION OF POLLUTION OF NAVIGABLE WATERS

Mr. WAGNER presented a resolution adopted by the Board of Trustees of the Village of Pulaski, N. Y., which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

VILLAGE OF PULASKI,
Pulaski, N. Y., March 3, 1936.

HON. ROBERT F. WAGNER,

Capitol Building, Washington, D. C.

DEAR SIR: At a meeting of the Board of Trustees of the Village of Pulaski, held last evening, I was instructed to forward to you the following copy of a resolution adopted at that meeting:

Resolved, That the Board of Trustees of the Village of Pulaski, Oswego County, N. Y., are opposed to legislation designed to transfer to the Federal Government control of water pollution resulting from the discharge of sewage and industrial waste into navigable waters and upon areas that drain into such streams, it being the opinion of the members of this board that such control can best be exercised by the several States acting separately or in combinations as may be necessary to control such pollution insofar as it may affect waters bordering upon or passing through the respective States, and that by retention of control by the States affected greater economy and less interference with industrial activity and the administration of State public-health agencies will result; and be it further

Resolved, That this board is opposed in particular to Senate bill 3958, known as the Lonergan bill, and Senate bill 3959, which bills have been introduced with the purpose of transferring control of water pollution to the Federal Government; and be it further

Resolved, That the clerk of the village of Pulaski be directed to transmit a copy of this resolution to the chairman and members of the subcommittee of the Senate Committee on Commerce now considering such proposed legislation, and also to the Honorable ROBERT F. WAGNER and the Honorable ROYAL S. COPELAND, Senators representing the State of New York, and to the Honorable FRANCIS D. CULKIN, Congressman from the Thirty-second District of said State.

Very truly yours,

MERRITT A. SWITZER, Clerk.

MISSISSIPPI RIVER FLOOD CONTROL

Mr. BILBO. I present a letter from G. F. Seals, secretary-treasurer of the Board of Levee Commissioners, of Clarksdale, Miss.; a transcript of order of the Board of Levee Commissioners for the Yazoo-Mississippi-Delta Levee District; and resolutions of the Chamber of Commerce, the Rotary Club, and the Kiwanis Club, of Greenville, Miss., pertaining to and in support of the Overton flood-control bill now pending on the calendar and ready for consideration. I ask that the letter and other papers may be printed in the RECORD and lie on the table.

There being no objection, the letter, order, and resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

BOARD OF LEVEE COMMISSIONERS FOR THE
YAZOO-MISSISSIPPI DELTA,
Clarksdale, Miss., February 17, 1936.

HON. THEODORE G. BILBO,

Senate Office Building, Washington, D. C.

DEAR SIR: I am enclosing herewith a certified copy of an order passed by the Yazoo-Mississippi-Delta Levee Board at its meeting

held on February 11, 1936, in which they are formally withdrawing their membership from the Mississippi River Flood Control Association.

For your information, I will state that Mr. W. H. Dick, president of the Mississippi River Flood Control Association, has mailed from his office letters to various parties in Tennessee, Mississippi, Arkansas, and Louisiana, in which he has expressed his views in opposition to the bill which has been introduced by Senator Overton for the flood-control program along the lower Mississippi River. This levee board is in thorough accord with the program as set out in the bill of Senator Overton, and for that reason does not wish to be affiliated with any organization that is opposing that bill. The board wishes you, as a Member of the National Congress, to know that they do not in anywise sanction any statements made by Mr. Dick in regard to flood control in recent months.

With kindest personal regards, I am
Sincerely yours,

G. F. SEALS, *Secretary-Treasurer.*

Transcript of order—The Board of Levee Commissioners for the Yazoo-Mississippi-Delta District

FEBRUARY 11TH SESSION, 1936.

Be it remembered, that at the above-stated session of the Board of Levee Commissioners for the Yazoo-Mississippi-Delta an order was then and there made by said board, which was in the following words and figures, to wit:

WITHDRAWAL OF MEMBERSHIP IN THE MISSISSIPPI RIVER FLOOD CONTROL ASSOCIATION

The president stated to the board that a considerable amount of controversy had arisen among interested parties due to the fact that W. H. Dick, president of the Mississippi River Flood Control Association, had mailed a letter in January to a large number of people, in which he expressed his view as being opposed to the Overton bill, which has been introduced in the National Congress by Senator Overton, of Louisiana, which bill embodies flood-control plans in accordance with those advocated by the Chief of Engineers of the United States Army. The president stated that this board had paid the annual dues as a member in the Mississippi River Flood Control Association for the year ending June 1, 1936. He stated that this being true, that any expression written by W. H. Dick as president of the Mississippi River Flood Control Association would carry the implied meaning that he was speaking for this levee district as well as for other members of the association. The president requested an expression of the views of the members of the board in regard to the matter. Commissioner Magruder stated that as a commissioner of this levee board he was entirely loyal to the levee district and was in entire accord with the Overton bill, but that he was of the opinion that Mr. Dick was being unduly criticized by certain parties. After further discussion of the matter by various members of the board, Commissioner Sherard made a motion, which was duly seconded by Commissioner Parker, that this board withdraw its membership in the Mississippi River Flood Control Association and that the secretary be instructed to write a letter to this effect to W. H. Dick as president of the Mississippi River Flood Control Association, and that this board place itself on record as being in thorough accord with the provisions embodied in the bill introduced by Senator Overton, of Louisiana, for the completion of flood protection in the lower Mississippi Valley, which motion was unanimously carried.

I, G. F. Seals, secretary of the Board of Levee Commissioners for the Yazoo-Mississippi-Delta, do hereby certify that the above and foregoing is a just, true, and perfect copy of an order of said board of levee commissioners made and entered at their February 11th session, A. D. 1936, as the same appears of record in my office in the minute book G of said board, on page 408.

Given under my hand and the official seal of said Board of Levee Commissioners for the Yazoo-Mississippi-Delta this 17th day of February, A. D. 1936.

[SEAL]

G. F. SEALS, *Secretary.*

Whereas the Board of Mississippi Levee Commissioners of Greenville, Miss., representing the counties of Bolivar, Washington, Sharkey, Issaquena, and a part of Humphreys, was for a long number of years a member of the Mississippi River Flood Control Association of Memphis, Tenn., of which Mr. W. H. Dick is president; and

Whereas said Board of Mississippi Levee Commissioners withdrew from said association and is no longer a member thereof; and

Whereas Mr. W. H. Dick, as president of said association, has recently issued a circular letter to the business interests of the city of Memphis, reciting that there will be introduced in Congress a bill for the expenditure of approximately \$125,000,000 in river work in the Memphis territory, and that unless the proposed bill is enacted the business interests of the city of Memphis will suffer a great loss in that no river work will be carried on and many of the employees of the district engineer's office in the Memphis territory will be out of employment, and further reciting that certain interests in Louisiana are opposed to the proposed bill and calling on the business interests of the city of Memphis for donations of \$10 each; and

Whereas as the result of the untiring efforts of a committee representing the States of Mississippi, Arkansas, and Louisiana, composed of J. S. Allen, Greenville, Miss., chief engineer of the Board of Mississippi Levee Commissioners; J. W. Bradford, Ita-

Bena, president of the Yazoo Delta Levee Board; J. G. Burk, Helena, Ark., attorney of the White River Levee Board; Wade O. Martin, chairman of the Louisiana Public Service Commission, chairman of the Louisiana Flood Control Association; and Harry Jacobs, of the Louisiana State Board of Engineers, a bill known as the Overton bill has been introduced in the present session of the United States Senate providing for the completion of flood control in the middle section of the Mississippi River by the execution of the adopted project as modified by the recommendations of Major General Markham, Chief of Engineers, at a cost of approximately \$300,000,000, which bill has been referred to the Commerce Committee of the Senate, and upon which very favorable hearings were had during the week of January 27, 1936, before a subcommittee of the Commerce Committee; and

Whereas the Overton bill has the support of the Senators from Mississippi, Arkansas, and Louisiana, and also the support of Representatives WHITTINGTON, of Mississippi; McCLELLAN, of Arkansas; and ZIMMERMAN, of Missouri, all of whom are members of the Flood Control Committee of the House of Representatives; and Congressman W. J. DRIVER, of Arkansas; and

Whereas we feel that the enactment of the Overton bill is vital to the prosperity and safety of the middle section of the Mississippi Valley, extending from southern Missouri to the Atchafalaya Basin, and that any effort at this time for the enactment of local flood-control legislation, such as that proposed by Mr. W. H. Dick, will jeopardize the enactment of the Overton bill; and

Whereas the Mississippi River Flood Control Association has not been designated to speak officially for the Board of Mississippi Levee Commissioners: Now, therefore, be it

Resolved by the Chamber of Commerce of Greenville, Miss., in session with the officers of the Board of Mississippi Levee Commissioners of Greenville, Miss., That the business interests of this territory disclaim any interest in the endeavors of Mr. W. H. Dick as president of the Mississippi River Flood Control Association; and be it further

Resolved, That the foregoing facts be communicated to the Chamber of Commerce of the city of Memphis, Tenn., with the request that the same be communicated to the business interests of the city of Memphis; and be it further

Resolved, That a copy of this resolution be published in the Greenville Democrat Times and in the Commercial Appeal.

Resolution of the Rotary Club of Greenville, Miss.

Whereas the Mississippi River Flood Control Association has suggested the necessity of further river legislation; and

Whereas the Mississippi River Flood Control Association is not officially authorized to speak for the levee boards of this district; and

Whereas the Overton Senate bill has the unqualified support of the Board of Mississippi Levee Commissioners, and the Yazoo-Mississippi Delta Levee Board and of the United States Army Engineers: Be it

Resolved, That we approve and urge the passage of the Overton bill without consideration of further legislation at present.

Resolution of the Kiwanis Club of Greenville, Miss.

Whereas the Overton Senate bill for the completion of flood control in the middle section of the Mississippi Valley has the endorsement of the two levee boards of the Yazoo-Mississippi Delta, as well as the great majority of the affected areas of Arkansas and Louisiana; and

Whereas the Mississippi River Flood Control Association has suggested the submission of additional flood-control legislation in the present session of Congress; and

Whereas we feel that such legislation at this time might interfere with the consideration and enactment of the Overton Senate bill: Now, therefore, be it

Resolved, That we endorse and urge the passage of the Overton bill.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 3581) for the relief of Henry Thornton Meriwether, reported it without amendment and submitted a report (No. 1671) thereon.

Mr. BONE, from the Committee on Naval Affairs, to which was referred the joint resolution (H. J. Res. 179) authorizing the President to present in the name of Congress a Medal of Honor to J. Harold Arnold, reported it with an amendment and submitted a report (No. 1672) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 11053) authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy, reported it with amendments and submitted a report (No. 1673) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 223) relating to the employment of the personnel of the Agricultural Adjustment Administration in carrying out cer-

tain governmental activities, reported it with an amendment and submitted a report (No. 1674) thereon.

Mr. HATCH, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 4232) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, reported it without amendment.

Mr. COOLIDGE, from the Committee on Immigration, to which was referred the joint resolution (H. J. Res. 443) to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937, reported it without amendment and submitted a report (No. 1676) thereon.

Mr. MCGILL, from the Committee on Pensions, to which was referred the bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, reported it with amendments and submitted a report (No. 1677) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 3720) to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes, reported it without amendment and submitted a report (No. 1678) thereon.

ARMY DAY

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the concurrent resolution (S. Con. Res. 30) to recognize April 6, 1936, as Army Day, reported it without amendment and submitted a report (No. 1675) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 9, 1936, that committee presented to the President of the United States the following enrolled bills:

- S. 2219. An act for the relief of D. A. Neumann; and
- S. 2875. An act for the relief of J. A. Jones.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DICKINSON:

A bill (S. 4226) authorizing the redemption by the United States Treasury of certain documentary revenue stamps now held by L. J. Powers; and

A bill (S. 4227) for the relief of Marc L. Severe; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 4228) to authorize a preliminary examination of the Salmon River in the State of Oregon with a view to the control of its floods; to the Committee on Commerce.

By Mr. LONERGAN:

A bill (S. 4229) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city; to the Committee on Banking and Currency.

By Mr. HAYDEN:

A bill (S. 4230) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910; and

A bill (S. 4231) to authorize the Secretary of the Interior to accept unsurveyed lands in numbered school sections in the State of Arizona in exchange for certain other lands, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BORAH and Mr. HATCH:

A bill (S. 4232) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects; to the Committee on Irrigation and Reclamation.

By Mr. TYDINGS:

A bill (S. 4233) for the relief of William H. Brockman; to the Committee on Naval Affairs.

A bill (S. 4234) to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; to the Committee on Territories and Insular Affairs.

By Mr. VANDENBERG:

A bill (S. 4235) to grant a renewal of patent no. 59560 relating to the emblem of the Disabled American Veterans of the World War; to the Committee on Patents.

(Mr. THOMAS of Oklahoma introduced Senate bill 4236, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. STEIWER:

A bill (S. 4237) conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claim of Corbin Edgell; to the Committee on Claims.

A bill (S. 4238) authorizing the naturalization of Joseph Brian Grant Ingoldsby, and for other purposes; to the Committee on Immigration.

A bill (S. 4239) to provide for physical examinations of certain veterans, and for other purposes; and

A bill (S. 4240) for the relief of Clint E. Williams; to the Committee on Military Affairs.

A bill (S. 4241) to provide for the sale of a certain isolated tract of the public domain in the State of Oregon; to the Committee on Public Lands and Surveys.

A bill (S. 4242) granting a pension to Elizabeth Fahrenwald;

A bill (S. 4243) granting a pension to Mary Nightingale; and

A bill (S. 4244) granting a pension to Christiana L. Todd; to the Committee on Pensions.

By Mr. POPE:

A joint resolution (S. J. Res. 227) to authorize the completion of work contemplated by Executive Order No. 7075; to the Committee on Commerce.

RETIREMENT OF UNITED STATES NOTES

Mr. THOMAS of Oklahoma. I introduce a bill to provide for the retirement of United States notes, and for other purposes, and ask that it be printed in full in the RECORD and referred to the Committee on Banking and Currency.

There being no objection, the bill (S. 4236) to provide for the retirement of United States notes, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to provide for the immediate retirement of all United States notes outstanding on the date of enactment of this act, and to issue in exchange for any such notes presented to the Treasury for retirement silver certificates in an equal amount. Any United States notes so retired shall not be reissued.

SEC. 2. The silver certificates to be issued in exchange for United States notes under this act shall be in an amount sufficient to retire all such outstanding notes, and such certificates shall be issued against the monetary value of silver to be hereafter purchased by the Secretary of the Treasury after deducting the cost of such silver.

SEC. 3. The silver purchased for the purposes of this act shall not be counted as part of the silver authorized or required to be purchased and coined under the provisions of existing law.

SEC. 4. The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the purposes of this act.

SEC. 5. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

JOHN N. HUNTER AND OTHERS—AMENDMENT

Mr. COPELAND (by request) submitted an amendment intended to be proposed by him to the bill (H. R. 8799) for the relief of John N. Hunter and others, which was referred to the Committee on Claims and ordered to be printed.

HEARINGS ON INVESTIGATION OF SO-CALLED RACKETS

Mr. COPELAND submitted the following resolution (S. Res. 247), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 74, Seventy-third Congress, first session, authorizing an investigation of the matters of so-called rackets with a view to their suppression, agreed to June 12, 1934, is hereby increased by \$800, to complete the final report.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to each of the following bills of the House:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes; and

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

W. P. A. DOG-POUND PROJECT IN MEMPHIS, TENN.

Mr. McKELLAR. Mr. President, on February 25, 1936, the senior Senator from Delaware [Mr. HASTINGS], my good personal friend, but who is always extremely partisan, when he thinks or talks about the present administration, at any rate, had this to say, as shown on page 2746 of the RECORD:

Let me read from a speech delivered by Representative LEHLBACH, and I think the Senator from Tennessee [Mr. McKELLAR] will be interested in this. He said:

"You think this Passamaquoddy project is a sole exception and not typical of the insensate spending orgy now going on? Well, let's look at the dog pound in the city of Memphis, Tenn., for the building of which \$25,000 of W. P. A. money has been allocated. I saw some days ago in the New York Sun a reproduction of the architect's sketch of this dog house, and I certainly wish I could live in as handsome a building as the Memphis dogs will occupy. The dogs will have individual pens with fresh bedding every day, exercise runways, shower baths, and every other imaginable comfort of home."

Then the Senator from Delaware, always vitriolic where the present administration is concerned, after making that quotation, further said:

These dogs are not valuable dogs. These are just stray dogs brought in there. If the owner does not claim them in 3 days, after they have had a bath and a night's rest, they are taken into a gas chamber and the gas is turned on and they are killed.

Mr. President, not knowing about this particular project, I did not reply at the time, but I immediately wrote the mayor of Memphis to give me the facts. I have a letter from him, in which he enclosed a copy of his telegram sent the New York Times on February 7 about this project. I cannot better explain the facts to the Senate than to read Mayor Overton's telegram at this point:

FEBRUARY 7, 1936.

EDITOR OF THE NEW YORK TIMES,

New York City, N. Y.:

I am reliably informed that the New York Times carried a story ridiculing a W. P. A. project of the city of Memphis to provide a dog pound for our city. The city of Memphis takes full responsibility for this project, and we deeply resent your biased, partisan, and unfair story in regard to this project. The city of Memphis is building a dog pound in cooperation with W. P. A. to protect the lives and safety of the people of Memphis. This project has the approval of the Memphis health department, the Memphis Humane Society, and our citizens. In the last 3 years our city health department has given 827 Pasteur treatments, mostly to children who have been bitten by mad dogs. During the same time our health department reported 1,500 people bitten by dogs, and our city laboratory has found 372 of these dogs to be rabid. Six people have suffered horrible deaths as a result of being bitten by rabid dogs in this city. In a constructive effort to protect our children we are constructing as a health measure a dog pound with concrete walls, steel pens, gas chamber, and a central office to conduct our campaign for the proper control of rabies and the handling of small animals, the total cost of the project being \$19,000, of which the city of Memphis is contributing \$6,000. The project is further giving employment to citizens of this community who are in need and furnishing a building which will protect the men, women, and children of this city for many years to come. We cannot conceive that any newspaper would be so partisan as to ridicule a project so essential to the health and safety of any community. I again reiterate that the city of Memphis takes full responsibility for this project, and it is not an example of waste on the part of W. P. A. but an outstanding example of the constructive projects being undertaken for the benefit of the average citizen. This is one of 201 city projects we are advocating to provide work for honest men seeking a living and to benefit the people of our city. We destroyed over 10,000 dogs in 1935 because they were a menace to the health and safety of this community, at a large cost to the taxpayers. The construction of this building will ultimately not only protect the health and safety of our children, but will make possible an actual saving to the taxpayers. If the New York Times is fair and not seeking to merely spread false propaganda, you will give the same publicity to this telegram as you gave to the biased, unfair, and unfounded story which you published on February 7.

WATKINS OVERTON, Mayor.

Mr. President, I ask at this point to insert in the RECORD as a part of my remarks the letter written by Mayor Overton to me under date of March 6, 1936.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMISSION GOVERNMENT,
Memphis, Tenn., March 6, 1936.

HON. KENNETH McKELLAR,

Senate Office Building, Washington, D. C.

DEAR SENATOR: The attempt to belittle and ridicule the construction of the Memphis dog pound as a W. P. A. project is malicious, vicious, and inspired. I have received letters from all over the country, which show that the propaganda has been widespread. Of course, the purpose is to try to create in the public mind a false impression of the W. P. A. program.

The city of Memphis sponsored the project and accepts full responsibility. The stories that we are building a "haven for homeless dogs with shower baths" is false. We are building a substantial concrete building, on property donated by the county, for the purpose of aiding us in the control of rabies.

For years the newspapers were insisting that we do something. Hundreds of children in our city were bitten by rabid dogs and were forced to take Pasteur treatment. Six horrible deaths have occurred in the last 3 years. As a health measure approved by the Memphis Health Department and the Memphis Humane Society, we are constructing this dog pound in order to have a place as headquarters for our campaign against rabies and to keep these dogs until they are reclaimed by their owners or put to death in a humane manner at the end of 3 days. Of course, the propaganda that we are building it for the benefit of the dogs is silly and ridiculous. Certainly, we intend to treat them humanely while they are being held either to be reclaimed by the owner or put to death.

I am enclosing herein copy of a telegram which I sent to the New York Times, which was published in that paper in the column labeled "Letters to the editor" on February 10, 1936. This telegram will give you the facts in regard to the situation. All modern and progressive cities have dog pounds. The city of Memphis recently purchased three automobiles for the very purpose of eliminating dangerous dogs from our streets where our children play, and each year we have spent thousands of dollars giving Pasteur treatments and in our efforts to rid our streets of dangerous animals.

The former location of the dog pound was in Highland Heights on the old workhouse site, but as this was a residential neighborhood it became necessary to remove it.

If there is any further information I can furnish I will be delighted to do so. How anyone would attempt to ridicule a project designed to aid a city in protecting its people from rabies and mad dogs is beyond my conception. It certainly shows to what extent they are willing to go in an attempt to find fault with the W. P. A. program.

With kindest personal regards, I am
Sincerely yours,

WATKINS OVERTON, Mayor.

Mr. McKELLAR. Mr. President, the incident shows to what extremes of partisanship even United States Senators can go. I myself am a partisan, but I hope that in all my partisanship I have never wantonly attacked, as has the senior Senator from Delaware, a project intended to protect human beings from death by rabies. Of all the horrible deaths in the world, I am told that a death caused from the bite of a mad dog is the most horrible. I cannot conceive how any man in the Senate or any newspaper would be willing to make fun of, to cast aspersions on, and to utter jibes at efforts of the government of a great city, aided by the National Government, to protect its citizens, and especially the women and children, from the ravages of hydrophobia. I am sure the Senator from Delaware was not informed as to the project, just as he has not been informed as to many other projects which he ridiculed on that occasion. I hope this will teach him a lesson, not just because of his biased partisanship to attack proposals of this kind—this absolutely necessary proposal to protect the lives and health of the people of a great city.

Mayor Overton is right in having built this pound. He is right in protecting the lives and persons of the citizens of Memphis against the ravages of this awful dog disease. His statement is a splendid refutation of the ridiculous and foolish charges of Representative LEHLBACH and of the Senator from Delaware. If all the other charges they have made concerning the projects of the W. P. A. are as unfounded as the charges concerning the dog pound at Memphis, it is perfectly evident that what they say should not be considered by anyone. I am surprised and astonished at my distinguished friend for taking such an untenable and inhumane position in regard to this project.

I hope that even the reactionary city administration in the Senator's home city has a dog pound and is taking the same sane and safe measures to prevent mad dogs from running loose in Wilmington. Vitriolic as is the senior Senator from Delaware, I would not have him bitten by a mad dog for anything on earth, and I hope his city will protect the citizens of Wilmington as Mayor Overton is protecting the citizens of Memphis, and also at the same time protect the senior Senator from Delaware from rabies.

THE UNEMPLOYMENT PROBLEM—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. BACHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting address delivered by the junior Senator from Utah [Mr. THOMAS] over the Columbia Broadcasting System in connection with their public-opinion program on Monday evening, March 9 last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

One time in ancient Rome conditions got so bad that most of those who were not doing well moved out. They went across the Tiber and started a city of their own where they would not be oppressed. Once they were gone, all business stopped, and even those who enjoyed every economic and political advantage discovered that their wealth began leaving them, and the great lesson of man's interdependence was brought home. Merchants learned that they could not sell without buyers, and owners of great wealth learned that there was no joy in life or security in their wealth if there were no workers or guardians. That condition was overcome by the logic and the leadership of a great statesman, who built a new order on self-restraint and self-control by teaching one of Aesop's fables and building the new state upon its great fundamental truth.

Christian Paul taught the same fable. If there is one lesson above all others that the war and its subsequent depression have taught the world, it is the fallacy of the discord that made the ancient fable so apt. Ancients everywhere did not, and we moderns do not, challenge the truth of the fable. Paul said, "The eye cannot say unto the hand, 'I have no need of thee.'" But mankind and nations do not live by this philosophy.

A parent who teaches his child the slogan, "There is always room at the top," teaches an untruth.

This expression starts a child in life with the mistaken notion that life is an end in itself, rather than a means to an end. It breeds hate when we know that hate begets hate. The history of European nations is one of war and competition expressed in terms of exploitation and overdoing. Men and nations have thoughtlessly accepted the theory that he who survives is the most fit and that they who win are right. The outcome of such thinking resulted in an almost universal acceptance of the idea that might makes right and success rests on the attainment of power. It is no wonder, then, that we have taught our children that they, too, must go to the top. Tomorrow, if our people are thoughtful, it will be old-fashioned to tell a boy or girl that he must fight his way to a mythical top through sheer strength. The mythical top invites hate and envy to the man who gets there and self-satisfaction over an ability which should be called luck. This lesson is one, too, for nations.

By means of machinery and social organization, man has learned to gain many of the blessings of work without working. He has worked out such economic ideas as interest. As a result he who can lend money gains wealth even though he sleeps, but he who borrows must give over part of his earning to payment of interest, which is a handicap in the gaining of wealth. The lender thus gains leisure, the borrower loses it. The aim of science, efficient organization, and labor-saving devices has been to produce leisure. In the light of the objective, that aim has been accomplished well, for even in our country nearly 12,000,000 persons are enjoying an enforced leisure. Actually one-tenth of our population cannot find work. Our economic structure can carry one-tenth of our population in leisure, but note what this particular tenth means. Under our standard of life not more than one person out of every five should be a wage earner. Wives and mothers should be relieved of that responsibility, childhood and youth should know nothing of it, and old age should be freed from it. If, then, only one of every five should be a provider, it follows that a nation having 125,000,000 people should have only 25,000,000 wage earners.

Now, if there should be only 25,000,000 wage earners and if out of these 25,000,000 who should be employed 12,000,000 of these same people are unemployed, the consuming power of the Nation is not reduced by a mere 10 percent but dangerously near 50 percent, because the consumption of the 125,000,000 depends upon the ability of the 25,000,000 workers to earn. The idleness, therefore, of 12,000,000 persons who should be, in the natural scheme of things, workers, means roughly the reduction of the consuming power of 60,000,000 souls.

That is a simple analysis of our chief industrial ill. How may this condition be remedied? He who has the solution is the man of the hour, for the problem is much the same in every nation. Modern industry has worked so well in its endeavor to produce leisure that we have actually been forced into undesired leisure, which, hateful to all, is now sadly evident on all sides.

Governments, suddenly alarmed, have failed in their desperate attempts to cure this condition. To illustrate, the United States has been able to decrease its unemployment only by 19 percent since the peak of unemployment was reported. Japan, despite her ability to act as a unit both as to money and industry, has been able to decrease her unemployment only by 18 percent. Great Britain, whose many new deals antedated our own New Deal by several years, has decreased unemployment by only 24 percent and has become definitely reconciled to the dole; Belgium, by 27 percent; Sweden, a country which has had unemployment insurance and guaranteed employment for a number of years, 36 percent; and Canada, 42 percent.

These facts challenge the slogan, "There's plenty of room at the top." In America the Government has borrowed to overcome this situation, and industry has dipped into its reserves. Actually industry and Government have used identical methods, and through their joint efforts the gain we have made has been accomplished. The American Government has expended large sums in trying to overcome unemployment, and American industry has tried to do the same thing; in fact, the spokesman for one large industry has stated that American industry has used \$27,000,000,000 of reserves in attempting to bring about recovery. This sum is in excess by many billions the amounts spent by Government, Federal, State, and local. These facts show that both official government and private industry accepted the theory of spending as a proper way to produce recovery.

Yet, despite the fact that we may have made gains, we have not solved the problem. The key to the problem lies in changing completely, first in industry and then in our lives, our attitude concerning what constitutes efficiency. Efficiency must furnish new values. There is nothing new in that statement. The Chinese learned to honor the scholar, the Hindu the holy man, the Hebrew taught the key to success through absolute justice, the Greek made beauty an ideal, the Roman stressed law. We have gone in for "success." When our Government was set up the founding fathers thought they were establishing a new order, for on the United States seal they proclaimed the fact, and they also asked God's blessings on the beginnings of this undertaking. A new order for whom? The preamble of the Constitution implies for the people, and the chief purpose of the new order was to gain the "blessings of liberty." Liberty for whom? For the people, the men, women, and children of America. Liberty can only be sustained by the people's being secure in life, in mind, in aspiration, in property. Can we not make these things the Government's chief reason for existence?

Here, then, is where we should find our values: The man free to come and go, to acquire and to sell, to work and enjoy the profits of his labor; secure in his home, in the education of his children; free from dulling worry over dependency in old age. How can these things be accomplished? Probably by no single way. First of all, we must accept some changed attitudes. If the true value is the human one, we have the key to changed attitudes. In industry we have assumed that that organization is the most efficient which is able to function with the least labor and at the least cost. We have measured our industrial efficiency by dollars of profits and by units of energy. But if we think of human values entirely, that organization is the most efficient that is willing to use all of the men it can and give all the work it can and still make ends meet.

Let me state that in another way. If an industrial organization's objective is the betterment of human beings, it is not an end in itself but merely a means to an end. The question will not be how much do you make but how many men, women, and children's lives are you making worth living. This country, therefore, must come to realize that the objective of our industrial life must be, not to get along with as few as possible but to use as many as possible. On first thought that seems economically unsound, but on second thought we realize that industry thrives as its products are consumed. There are two ways of increasing profits, one by cutting costs, the other by increasing consumption. In this machine age the cutting of costs may destroy the ability to consume. Thus in our day we have seen the vision of those who were fearful of the results of the machine age come true. The early writers pointed out that when the machines became so efficient that they could reproduce themselves they would destroy men and thus make themselves useless. We may keep men masters of machines by giving all our objectives human values.

Does such a suggestion attempt to overcome years of experience? Yes; it does. For until now we have stressed the rights of industry instead of the duties of industry. When we consider the inherent duties of industry we are tapping a virgin field. Industry has owned no duties except to obey the law. The next question arises: Can we build our industrial system upon the spirit of self-control and self-restraint? If we do, can we make it pay? A changed attitude, a changed objective, and a given trial will answer the question. Those who have tried it say it has paid. Using excess reserves and what would be spent for excess-profits taxes to employ more people would increase consumption. It is worthy of a trial. It is not wholly experimental, for great things have been done in this direction in some of the smaller countries of the world. In the past year we have made great advances in extending the spirit of self-control and self-restraint. Internationally some remarkable things have occurred. The League of Nations is trying slow collective economic pressure to accomplish its objectives. The United States has given the Philippines their independence. England has lately given up her mandate over Iraq. France is now ready to give up her mandate over Syria. The Allies accepted the plebiscite in the Saar and the League of Nations control has been withdrawn. Europe today is faced with two alternatives. The first, self-restraint; the second, war. Which will she choose?

Our new neutrality is built upon the spirit of self-control and self-restraint. No longer are we stressing rights at the point of a gun. America knows our old theory did not pay. It cost us billions in wealth and hundreds of thousands in lives. We have faith that the new theory will pay. In the development of manhood it will pay, for war makes a Caesar or a Napoleon. Peace makes happy men, women, and children. Have you ever figured how much a Caesar has cost the world in blood and wealth?

Caesars do not develop by self-control and self-restraint. Should America make the happiness of the few or the many its objective? Our Constitution answers that question. Its opening words are "We the people."

We are rapidly approaching the time when we may wholeheartedly support a new attitude toward money. Many leaders are demanding international stabilization of moneys. The last two meetings of such leaders held in England and America both demanded it. International stabilization must, though, follow domestic stabilization. Before we can have international agreement a common denominator must be found. In this we may lead the way. The denominators should be the two precious metals. Their relationship should be established and redemption in specie in either gold or silver, as our Treasury may decide, should start with coinage in accordance with new values at the established coinage ratio. In the spirit of self-restraint we can afford to keep our money values slightly higher than the rest of the world because of our credit position and because of our great reserves. This will cause gold-based money countries to peg values close to ours. The use of either gold or silver will make it possible for silver countries to peg their values near ours.

With gold and silver countries following our lead, the managed-currency countries may attempt tense competition, but they will not do it, as the slight advantage given them will cause them to keep values as high as possible.

Thus, even in money matters, we are in a position to use self-control and self-restraint and build that good neighborly attitude as we have asserted we would. Through self-control and self-restraint America thus can take leadership the world over without arousing suspicion. This is an aim worth striving for. In its wake will follow peace and good will.

GOVERNMENTAL EXPENDITURES AND TAXATION—ADDRESS BY SENATOR GEORGE

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD a very informative address delivered by the senior Senator from Georgia [Mr. GEORGE] during the National Radio Forum arranged by the Washington Star, and broadcast over the National Broadcasting Co. network on Monday evening, March 9.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REVENUE LEGISLATION

When, on January 3 last, the President submitted to the Congress his annual Budget message the Budget was in balance with the exception of the single item of relief. Estimated receipts during the fiscal year just ahead—beginning July 1—were sufficient to take care of all other regular expenses of the Government. But in the meantime the Budget situation has been upset by two occurrences. In the first place, the Agricultural Adjustment Act was declared unconstitutional by the Supreme Court of the United States. This resulted in a considerable loss of revenue which would have come in from the processing tax, a levy laid on the processors of various agricultural commodities. It necessitated also the raising of revenue with which to pay benefits under any new farm program which might be adopted for next year and the years to come.

In the second place, the Congress passed the veterans' bonus bill over the veto of the President. It had originally been planned to pay the veterans in 1945, and the funds were being gradually accumulated for that purpose. Advancing the date of payment meant an increase in the amount included for that purpose in the 1937 Budget.

Naturally enough, during the years of depression just past the expenditures of the Government have been heavy. Nevertheless, the yearly deficits have been growing smaller, and had it not been for the events of which I have just spoken our advance toward a balanced Budget would have proceeded uninterrupted. For, as a matter of fact, the revenues of the Federal Government have been on the increase. And with the spread of recovery, the increase in national income generally, the better business which is evident everywhere, both in volume of turnover and in earnings, it can be predicted confidently that Treasury receipts will expand accordingly.

On March 3 the President transmitted to the Congress a message calling for more revenue. A part of our revenue loss resulting from the decision of the Supreme Court in the A. A. A. case is purely temporary in character. It consists of the decrease in receipts during the current fiscal year, represented by processing taxes that will not now be paid. The amount involved is approximately \$517,000,000. To take care of this the President has suggested two possible sources—one a "windfall" tax on those unjustly enriched as a result of the decision of the Supreme Court, and, second, a processing tax at a low rate on a wide variety of agricultural products—spread over a 3-year period.

To take care of the more permanent necessities with respect to new revenue, to take care of the added requirements for the

"bonus," about \$120,000,000, running for 9 years, and to provide for expenditures under the new farm plan, about five hundred million, as set up in the Soil Conservation and Domestic Allotment Act, recently passed by the Congress and signed by the President, his suggestion is that we provide a tax on the undistributed earnings of corporations. At the same time the present corporate income tax, the capital-stock tax, and the excess-profits tax might be repealed, as well as the present exemption of dividends from the normal tax on individual incomes.

This suggestion of the President is widely misunderstood. It is not a tax on present accumulated surplus. That would be untouched. While the President does not suggest it, it may well be considered whether the exemption of tax on present accumulated surplus may not stimulate activity in the capital-goods industries in which reemployment is most needed, where such surplus is used for permanent betterments, replacements, and expansion. The President's recommendation, however, relates to future net earnings only. It recognizes the principle that business profits, no matter from what source derived and no matter when received, should bear the same tax burden. They do not now.

It is not the province of the Government to say in what form business shall be carried on, whether as an individual enterprise or as a partnership, or under the corporate set-up. Neither is it for the Government to say whether the earnings of corporations shall be distributed. But it is in the concern of government that structural devices shall not be used for the purposes of tax avoidance. Present tax laws make the corporate form of organization advantageous to some and a disadvantage to others, and encourage the accumulation of unreasonable surpluses which, if distributed, would have brought greater revenue to the Government through the taxes on the incomes of the shareholders to whom the dividends would have gone.

A revision of our tax laws such as the President has suggested will not only remove undoubted inequalities in our taxing system, but will bring more revenue into the Treasury. Nor is the proposal a new one. It was seriously considered in the Congress as much as 15 years ago. Eleven years ago a similar proposal passed the Senate.

The present tax on the incomes of corporations is on a scale of from 12½ to 15 percent of their net profits. They pay other taxes on capital and on excess profits to the Federal Government. When earnings are distributed in the form of dividends the dividends are subject to surtaxes on the incomes of the individuals. The small stockholder particularly is penalized by this situation. He has been charged a higher tax than he would have been had he been engaged in business for himself as an individual.

But some profit from this situation. It makes it possible for the management of the corporation to withhold profits from distribution for reinvestment in the business. No personal income taxes are paid on such earnings at all. This process is referred to as plowing back earnings into the business, and it makes it possible for large and wealthy stockholders to place their earnings directly into good investments without the necessity of paying a personal income tax upon them. Had they been engaged in business as individuals or as members of a partnership they could not have done so. The corporation thus affords a refuge from taxation for big incomes.

If withheld corporation income was subjected to the same surtax rates that apply to income of individuals and partnerships, the Treasury Department has estimated that in the calendar year 1936 the Government would collect \$1,700,000,000 additional revenue. This is the biggest leak in our tax system. The proposal of the President would put a stop to this practice.

Substitution for the existing corporate taxes of a graduated tax on undistributed corporation earnings would bring about four definite benefits. First, it would result in a substantial increase in the Federal revenues; second, it would eliminate three existing types of discrimination inherent in the present tax structure; third, it would prevent current tax evasion of considerable magnitude; and fourth, it would greatly simplify the existing tax structure, and therewith the tasks of corporate accounting. Let us consider these beneficial effects of the suggested change in order. If the corporation income, capital stock, and excess-profits taxes were repealed it is estimated that the aggregate corporate net income available for dividend distributions in the calendar year 1936 would exceed \$8,300,000,000. The anticipated dividend disbursements to individuals by such corporations from the earnings of 1936 amounts to \$3,540,000,000, thereby leaving \$4,778,000,000 available for additional dividend disbursements. If, by reason of the proposed tax, this additional amount were distributed, and all dividends were made subject to the 4-percent normal tax, it is estimated that the Treasury's collections under the individual income tax would be increased by approximately \$1,732,000,000. The repeal of the corporation income, capital stock, and excess-profits taxes would make the net gain in Federal revenues about \$620,000,000.

If, on the other hand, corporations decided to withhold from their stockholders any part of the extra \$4,778,000,000 of earnings available for distribution, and paid the proposed graduated tax thereon, the net increase in Federal revenues, inclusive of the 4-percent normal tax on such dividends as were declared, would approximate the same figure. In other words, the proposed graduated tax on withheld corporate earnings would approximately equalize the loss in Federal revenues occasioned by the withholding from the personal income tax of reinvested corporate earnings. Whether the \$4,778,000,000 of earnings were distributed in their entirety, in part, or not at all, the changes under discussion would

increase Federal revenue in the coming year by upward of \$620,000,000.

Turning now to the second consideration, analysis shows that under existing corporation taxes three types of unfair discrimination between different classes of taxpayers are now unavoidable. At present all the earnings of a partnership or of an enterprise owned by a single individual, whether reinvested or not, are subject to income surtaxes. Corporate earnings, likewise, when distributed to stockholders, are subject to these surtaxes, which range up to 75 percent. Corporate earnings which are not currently distributed in dividends, however, escape these surtaxes for long periods or altogether, thereby creating an unfair discrimination. The proposal under discussion would tend to place all business, whether incorporated or not, on the same basis for income-tax purposes.

Moreover, there exists under the present laws an equally unfair discrimination against stockholders in the low-income groups. Earnings of corporations which are creditable to such stockholders are now subject to the corporate income tax of 12½ to 15 percent, while the dividend receipts of these individuals are exempted only from the 4-percent normal income tax. Under the proposed law, however, the earnings applicable to their stock, if distributed, would be subject to the same treatment as in any other portion of their income. Thus these earnings would in many cases bear no income tax at all or would bear only the normal tax or very moderate surtaxes at rates below those that they now pay.

A further form of discrimination is to be found in the differing incidence of income taxes upon shareholders in corporations that pursue liberal dividend policies and upon shareholders in corporations that do not pursue liberal dividend policies. The former are often discriminated against because they are not permitted to reinvest tax free the corporate earnings received as dividends, whereas the latter are enabled under the present law to reinvest their share of the corporate earnings without payment of individual income taxes thereon. The unfairness of the discrimination is to be seen in the fact that the earnings withheld by corporations add no less to the wealth and tax-paying power of the shareholders than the earnings distributed in dividends. The reinvestment of corporate earnings becomes reflected in the market price of the stock and in the increased earning power of the corporation. Thus owners of stock in a corporation that fails to distribute earnings liberally pay no taxes on undistributed earnings, but gain in wealth nonetheless, while stockholders of a corporation that does distribute earnings liberally pay heavier taxes.

The substitution for the existing corporate taxes of a graduated tax on withheld corporate earnings would eliminate these serious sources of unfair tax discrimination. Such a tax would go far to encourage the full distribution of current earnings to stockholders, thereby subjecting all such earnings to individual income tax at the rates established for the various groups. Further, it is estimated that such a rate of tax would equalize, on the average, the taxes paid by shareholders in withholding corporations with those paid by shareholders in corporations distributing all their earnings, and with those paid by individual firms or partnerships. The removal of the corporation income tax would eliminate the reason for present exemption of dividends from the normal individual income tax.

The third chief beneficial effect of the suggested change, namely, the elimination of serious tax evasion, is equally clear. At the present time the ability of corporations and of their controlling stockholders to choose the timing of dividend distributions, without penalty and without reference to current earnings, often results, in a loss of revenue to the Federal Government and an unjust avoidance of taxation by stockholders of large personal incomes. The earnings withheld by a corporation would often, if distributed, raise the surtax brackets of many stockholders, thereby subjecting such earnings to the higher surtax rates. When withheld for a time and then paid out in years when the other income of important stockholders is smaller, such earnings escape the higher rates to which they would have been subject.

Finally, adoption of the measure under consideration would greatly simplify our corporation tax structure and carry with it a correlative simplification in corporate accounting. For, in place of three separate and somewhat complex taxes, there would be substituted just one tax. Moreover, it is clear that the proposal under discussion, far from imposing any new taxes on business, actually removes the largest single tax paid by business enterprises. The tax on withheld corporate earnings could not be passed on to consumers nor passed back to workers. No corporation need pay this tax. To avoid it the corporation need only pass on to its stockholders, as earned, the earnings that belong to them anyhow. Nor does the proposal involve any increase in the individual income-tax rates. Its primary result would be to make effective the present income-tax rates on a very large volume of income that now escapes an important part of ordinary income taxation.

The Ways and Means Committee of the House of Representatives, which, under the Constitution, must originate revenue measures, is holding hearings preparatory to the drafting of a revenue bill for the consideration of the Congress. The Finance Committee of the Senate will also consider in public hearings the recommendations submitted by the President.

These recommendations must be carefully examined to determine whether new loopholes to tax evasions will not be opened up; whether the estimates of added revenue are correct; whether the proposed graduated tax rates should not be based upon the percentage of net income undistributed instead of the amounts of money withheld by the corporations, and what is yet more im-

portant, whether the proposal must not be substantially modified so that it will not prevent the reasonable accumulation of a surplus sufficient to carry a corporation through the fluctuations of economic conditions and to safeguard the opportunity of American labor to find employment in times of economic stress.

As to the so-called windfall tax, one must heartily approve its objective while he may be extremely skeptical as to its practicability. Certainly no one should profit by passing on to his customers a tax which he did not in fact pay. Whether the tax in a given case was passed on and other questions difficult of determination will probably result in crowding our courts with a mass of litigation. If the processor did not pass the tax on to his vendees, or if he has accounted for money collected by him, provision for credit against the tax is obviously just.

To supplement the revenue from the undistributed profits tax, the President suggests moderate processing taxes on a wider range of agricultural products. In order to work justice, the processing taxes should be placed on all products which enter into substantial competition with each other. It would seem that this suggestion is beyond reasonable objection when it is remembered that under our protective system the farmer has helped to carry industry and to enable the general consumer, including the labor of industry, to maintain an American standard of living.

It is timely to insist that current revenues should equal all current expenditures, except for the single purpose of relief, and that expenditures for relief should be reduced wherever possible.

ECONOMIC AND POLITICAL CONDITIONS—ADDRESS BY SENATOR TYDINGS

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the senior Senator from Maryland [Mr. TYDINGS] before the Young Democratic Clubs of Maryland, in Baltimore, on March 5, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, distinguished guests, ladies, and gentlemen, I wish above all things to pay tribute to the wise counselor who, had not death taken him from our midst, would have been with us tonight. All of us deeply miss the commanding presence and courageous leadership of Albert C. Ritchie. He was the most distinguished man of his generation in our State and was regarded throughout this country as one of America's greatest citizens. He was recognized as Presidential timber and was the greatest Governor the State of Maryland ever had. A great thinker, he was a renowned exponent of fundamental political principles and policies. I choose to think that he is with us tonight in spirit. We shall never cease to revere his memory, and his great achievements will be a constant reminder of his unparalleled service to our people.

Three weeks ago the officers of your organization very kindly extended to me an invitation to speak here tonight. I am greatly honored by that invitation.

Everywhere upon the face of the earth humanity stands at the crossroads. Everywhere normal government has given way more or less to new and extraordinary measures and policies. The standards of money have been altered during the last 10 years by nearly every important nation in the world. Nearly every government has adopted tariffs and embargoes which have restricted the volume of trade and business between peoples. Nearly every nation has had some program for assisting the unemployed and for alleviating the widespread distress of the people.

Wars are being fought, and rumors of new and larger wars yet to come force us into serious reflection of the future.

The business of government has become extremely complex, for governmental problems are not only more numerous but more difficult to solve for the general welfare of humanity. The economic machine—that is, business, trade, work—which is the lifeblood of nations, has greatly slowed down. Both at home and abroad it is generally recognized that the times are without a parallel and are ominous, tempestuous, and distressing.

In such an atmosphere it is difficult to think and to act with clarity and comprehension. It is difficult to weigh all of the important factors which will have to be considered and to chart a course which eventually will bring order out of chaos and progress and well-being to mankind.

In one sense, what you have asked me to say tonight and what I shall say is addressed to those who belong to the Democratic Party. But in a broader sense what I have to say is addressed to all the people, for it is my intention to review the recent records of the Republican and Democratic administrations in this country since the close of the World War.

The two-party system, over a period of more than a hundred years, has become a vital part of our national existence. Indeed, this Nation has been governed by one of two great political parties since the administration of President George Washington. Since the Civil War either the Democratic or the Republican Party has been in control of the Government. Therefore, as we approach another Presidential election, it is proper that we review the records of these two parties to decide which of the two is better equipped and circumstanced to be entrusted for the next 4 years with the power and authority to govern this Nation. That primarily is the question upon which the people will have to pass in the coming Presidential election.

The present Democratic administration in Washington has held office for exactly 3 years today. It came into power in one of the

darkest periods of our national history, at a time when the institutions of government and the foundations of business were threatened and after our people had gone through many years of unprecedented business and personal difficulties. The new Democratic administration on March 4, 1933, was immediately faced with a multitude of problems of the greatest concern, problems which had to be met and solved quickly.

Let me take just a minute to carry you back to the national scene as it existed on March 4, 1933, when President Roosevelt was inaugurated.

Thousands of banks had closed their doors all over the United States. Bank holidays had been declared in a score of States. The total collapse of the entire banking system of our country was a matter of hours, and in these banks there were deposited the accumulated savings of our people.

Again, approximately 750,000 farms had been sold in the preceding 3 years, either for delinquent taxes or under mortgage foreclosure. In the towns and cities hundreds of thousands of homes had likewise been sold under the auctioneer's hammer.

Since the depression began in 1929 the army of unemployed had been steadily growing by millions. For each of several years under President Hoover we had been expending every year more money than our income. Factories all over the country were either closed or operating on part time. Trade, business, commerce, finance, employment, both national and international, had reached a low ebb.

Our people were dispirited. They had seen conditions grow steadily from bad to worse and many were losing faith not only in their Government but quite often in themselves. The future was dark indeed.

You know that what I have said is nothing but a brief outline, but an accurate outline, none the less, of the conditions existing on March 4, 1933.

This description briefly portrays the inheritance of 12 years of Republican rule resulting from the policies adopted by the three preceding Republican administrations of the state of the Nation when the present Democratic administration came into power.

Let this fact stand out in letters of fire—that whatever may be said either pro or con about the present administration, or some of its policies, it cannot be truthfully said about it that either it or its policies brought on the depression—for that depression started under President Hoover in October 1929, nearly 3½ years before the Roosevelt administration came into power.

Let it be remembered that the depression reached its lowest ebb on the very day President Roosevelt was inaugurated.

In any discussion, therefore, of the relative merits of the two political parties in this country, these important and outstanding facts cannot be ignored, nor should they be forgotten in the election which is approaching.

I think it will be generally conceded by the men and women of all parties that in those first months of the Roosevelt administration there was little to criticize. The first business was to open the banks of the country so that the people in distress would again have access to the billions of dollars they had deposited in these closed banks. Nearly all of the banks were opened, by groups and sections, and what is more important, they were kept open, and have not closed since. The administration moved to meet this break-down of the banking system comprehensively, courageously, and vigorously.

We can well remember the hotels of Washington at that time. They were literally jammed with men connected with our banking institutions, who were looking for Federal aid and assistance. This was given with almost unbelievable speed and with matchless governmental administration.

That was a distinct accomplishment of the very first rank and magnitude, and should not be forgotten by the millions affected.

Next, measures were speedily adopted to assist individuals, hard-pressed by the force of circumstances, to hold their farms in the country and their homes in the city. Action came quickly, resulting in the saving of millions of homes and farms to the people of this country, who in most cases would have lost them without Government help.

This, too, was an achievement of the first rank and magnitude, and should not be forgotten either by the people whose homes were saved or by society as a whole.

The railroads, insurance companies, and other large financial and commercial institutions were likewise helped with billions by the Federal Government, and thousands of investors were saved from ruin, while the work these concerns afforded to all classes of people was saved for the employed.

That, too, was an achievement of the first rank and magnitude, and should not be forgotten either by those whose investments and employment were saved or by society as a whole.

Many States and cities were on the verge of bankruptcy or without credit. The relief agencies in these local political units were breaking down, leaving thousands of people who had deposited in banks that could not be opened, without food, clothing, or shelter for themselves and families. The Federal Government again stepped in to meet these ravages of the depression. It quickly augmented the work of the local political units with a program for relief and economic stability, and the morale of millions of our people was at once considerably improved.

That, too, was an achievement of the first rank and magnitude, and should not be forgotten either by the direct beneficiaries of that policy or by society as a whole.

In general, all of these early steps taken in the first few months of the Roosevelt administration brought from the people of all parties in the United States, and indeed from the people of many

foreign lands, praise, admiration, affection, and respect for our President which few men in public life have ever received in greater abundance.

It is not too much to say that in the early part of the Roosevelt administration the courageous leadership, vision, comprehension, and executive ability of the President and his party in Congress saved this Nation and its people from a great catastrophe, the far-reaching consequences of which need not be conjectured.

So however we may differ in opinion over later policies of the administration, about some of which I think there is considerable ground for difference of opinion, we should not for an instant let these later policies dim the magnitude of the achievement of Mr. Roosevelt and his party at a time when hope was flying rapidly from the hearts of millions of our people.

So we now come to the second period of the Roosevelt administration, during which some measures were adopted which have caused marked difference of opinion among our people. Regulation of the sale of securities, known as the stock-exchange control bill; various kinds of social legislation; and the reciprocal trade policies have met with almost universal approval. On the other hand, some of these major policies, among them the N. R. A. and the A. A. A., have not been sustained by the courts. I did not support these two measures, first, because I did not believe that the courts would hold them within the scope of the Constitution; and second, while I was sympathetic to the ultimate objectives to which these measures pointed, I felt that the method of achieving these objectives would in the end prove unwise.

I now stand on these measures, as they were written, exactly where I stood then, for I believe it to be my duty as a United States Senator to vote in line with the traditions of my party and my own convictions, and not to be a rubber stamp for anyone. I further conceive it to be my duty as a United States Senator, if I may be personal, to offer constructive criticism, for I realize that from such constructive criticism largely must democratic government progress, and that such constructive criticism aids wise legislation and makes lasting progress.

The legislative branch of the Government, under our Constitution, is equal with all other branches. It is the forum in which measures affecting the people are debated and enacted into law. So long as I am a Member of the national legislative body it shall be my purpose to oppose measures which I do not think will redound to the ultimate benefit of the entire people, whether they be labeled Democratic or Republican measures, liberal or conservative measures. On this principle of independent legislative action rests the difference between democracy and dictatorship.

Those who advocate that the Congress should without question enact into law every proposal emanating from the executive department of the Government say in effect that they favor a dictatorship rather than a democracy. Personally, I take this opportunity to affirm my own adherence to the principles of the democratic form of government.

I would not be candid were I to let pass the subject of the Agricultural Adjustment Administration without some comment. The professed purpose of the Agricultural Adjustment Act was to bring into parity—that is, to a common level—the prices of farm products and farm earnings with the scale of prices and of salaries and wages paid to workers in industry.

So long as the prices of the products of American industry and commerce are held by the acts of Congress above the level of world prices by the high tariff wall erected by the Republican administrations, as a matter of justice have the products of agriculture an equal right to be held above the level of world prices by any sound and constitutional means.

Bear in mind it was the Republican administrations of Harding and Hoover which attempted through high tariffs to hold the prices of products of American industry above the level of world prices. In so doing, they automatically forced the farmer into a position where much that he sold was frequently sold in the world market where the lowest prices prevailed, while what he bought he had to buy in the home market where the highest prices prevailed. This was one of the reasons that over three-quarters of a million farms were sold for taxes and under mortgage foreclosure during the Hoover administration, and was one of the most important factors that contributed to the depression.

Therefore, while a good many of us might rightly criticize or disagree with the method by which the President sought to correct this injustice—and I am one who did—sheer logic and fairness compels me to assert that his objective was a fair one even if the method of approach was not upheld by the courts. Agriculture and industry must share equally in the profits and progress of the country.

In this brief review you have found both approbation and, I hope, constructive criticism of the Roosevelt administration.

Now that I have commented briefly on the record of the Democratic administration for the past 3 years of the Nation, let us go to the record and from it determine how well the Republican Party has met its obligation to the people when it was entrusted with the power to govern.

Since the World War we have had three Republican administrations, those of Mr. Harding, Mr. Coolidge, and Mr. Hoover.

The most significant thing about these administrations were the economic policies of the Republicans which laid the foundation for and eventually brought on the greatest depression in the history of the United States.

And in order to portray clearly the situation, I shall briefly discuss what some call "economics", but what we call "trade."

We all know that before the World War the people of the United States owed hundreds of millions to foreign investors, for these

foreigners had placed their money in our railroads, financial and industrial enterprises, and in the bonds of our National and State Governments. Consequently hundreds of millions of dollars each year were shipped abroad to pay interest or principal on the bonds held by foreign investors or as dividends upon their stock investments in this country.

Before the World War we were a borrowing Nation, paying off our debts to the citizens of foreign nations.

Likewise, before the war, we were an exporting Nation, selling more of our goods to foreigners than we bought of their goods. Consequently they had to pay this difference, called the balance of trade, which was in our favor, in gold. So while hundreds of millions of dollars in gold were sent abroad each year to pay interest and dividends to foreigners with investments in this country, hundreds of millions of dollars in gold came back to this country each year to pay us for the goods we were selling abroad greater in quantity than those we were buying abroad. Thus, before the war, trade and finance, represented by money, were in balance and the position of our country was economically sound.

After the war this situation changed. We were no longer a borrowing Nation. During the war foreigners had largely liquidated or cashed in their investments in this country and had taken their money home.

In addition to that, during the war we had loaned to foreign governments approximately eleven and one-half billions of dollars, so that after the war we were no longer a borrowing Nation, but had become a lending Nation, with the world owing our Government about eleven and one-half billions of dollars.

After the war, when the administration of President Harding first came into power, we became a lending and an exporting Nation rather than a borrowing and exporting Nation, as we had been before. And under Presidents Harding, Coolidge, and Hoover a new governmental policy was established, for under these three Presidents the State Department commenced to approve huge loans made by American citizens to foreign governments.

During the period from 1921 to 1929 approximately fourteen and one-half billions of dollars in gold were loaned by the people of this country to foreign governments with the stamp of approval of the United States Department of State upon most of the loans.

During the same period of time America sold more goods abroad than ever before in its peacetime history.

We made these large sales of goods to foreigners because we were lending them the money with which to buy our goods; lending it to foreigners who already owed us more than they could pay under existing tariff barriers created by us.

These large sales of our products, amounting to about \$5,000,000,000 each year, were paid for by foreigners with the money we were lending to them, thereby creating the illusion of prosperity. When these loans stopped this trade fell off 70 percent almost overnight, throwing people out of work by the millions all over this country.

We had enjoyed only illusory or paper prosperity. We had in reality given our customers the money with which to pay for our goods. When we stopped giving our customers this money they could no longer pay for them under existing tariff barriers, and then and there unemployment started and the depression set in.

Today the world owes to the Government of the United States or to its people eleven and one-half billions of dollars in war debts, plus approximately fourteen and one-half billions of dollars of loans to foreign governments made under Republican administrations since the war, a total of \$26,000,000,000, almost the full amount of our national debt. Indeed the fourteen and one-half billions of dollars in gold loaned to foreigners under three Republican administrations is almost half of our entire national debt, and it is generally conceded that under existing tariff barriers the repayment of this money is extremely doubtful; for, as there is only about \$6,000,000,000 in gold in all the world outside of this country, obviously the only other way these loans can be repaid is either in goods or services or in both.

Therefore from a business standpoint the net result of those 12 years of Republican rule was that the people of this country stand to lose a large part of fourteen and one-half billions of dollars in foreign investments, while the damage done as a result of this policy has resulted in economic chaos to business generally and has made millions of unemployed among the workers of the country.

I have said repeatedly on the floor of the Senate since I took my seat there in 1927 that neither our own country nor the world could recover under the tariff and loan policies put into effect by the three Republican administrations.

To summarize, the so-called prosperity under the Republican administration was a false prosperity induced by the purchase of our goods by foreigners with fourteen and one-half billions of dollars of money that was loaned to foreign governments under the aegis of three Republican administrations, thereby creating an artificial stimulation of production of commodities that was not sound and could not be continued and which inevitably resulted in a crash.

This brought on the problems with which the Roosevelt administration was confronted. Justice compels me to say that it was the curtailment of production thus forced upon the Nation in October 1929 by Republican policies which caused Mr. Roosevelt 4 years later to adopt some of the policies for which he has been criticized. The real philosophy of scarcity was an inheritance of Republican policies, placed upon the President's doorstep by preceding administrations. They undoubtedly caused him

to embark upon measures for the reorganization of business and agriculture which otherwise could have been wholly avoided.

So much in brief has been the legacy of the Republican Party to the people of the United States; and let me repeat that the depression came on after that party had been in power 9 years, and 3½ years before the inauguration of Roosevelt.

We come now to a consideration of the situation with which Maryland Democrats are faced in the coming national election.

Admittedly, some of the policies of the Roosevelt administration are not popular in Maryland with a considerable element of the Democratic Party. What can be done about it?

There are only three courses open.

We can support the Democratic ticket, we can support the Republican ticket, or we can "take a walk."

To "take a walk", as I understand it, is to stay out of the campaign and go fishing on election day. So "taking a walk" will not solve the dilemma or discharge our duty as citizens.

I do not propose to "take a walk."

Such a course would serve no useful purpose and would be evasive of the responsibility of citizenship.

Democratic government will live only so long as citizens take part in its national elections. It will die when the people are apathetic or evasive of the responsibilities of citizenship.

This is a country of the two-party system of government. As stated, ever since the Civil War either the Democratic or the Republican Party has been elected to administer the Federal Government. No third-party movement has ever succeeded and no person with any knowledge of politics believes at the present time that any third-party movement will succeed this year. In fact, at the present time there seems to be little likelihood of any real third-party movement even getting started.

It accordingly follows that the next National Government will be either Democratic or Republican, and it further follows that the coming Presidential campaign will be fought out between the Democratic Party and its candidates and the Republican Party and its candidates.

Democrats cannot sit on the side lines or fail to participate in this coming election, which is of such vital national importance.

We cannot, should not, and must not support the Republican Party on its record. Throughout the 12 years that intervened between the World War and the inauguration of President Roosevelt the Republicans controlled and guided the Federal Government, and, as I have pointed out, their period of power provided the build-up for the depression.

For it has been conclusively demonstrated that no Democratic administration was responsible for the conditions which brought on the depression.

Moreover, there is nothing in the recent Republican record and little in the current Republican utterances that can give the American people hope for better times or for better government through the election of a Republican President.

Remember, that the Democratic Party goes before the voters of the country in the approaching election not on a part of the record but on the entire record of the past 3 years, and it is universally conceded that in the aggregate the record of the party and the record of President Roosevelt are one and inseparable.

It is equally plain that President Roosevelt will be the nominee of the Democratic Convention at Philadelphia; for trained political observers and most of the responsible Democratic leaders agree that he will be the nominee of the Democratic Party for President.

As a Member of the United States Senate, I have not been able to support, to agree with, and vote for a number of the recommendations and policies of the President. I need not change my position on these matters to support President Roosevelt and the Democratic Party. I am conscious of the fact that our President took office with the business and trade of the country paralyzed and the banks closed. He recommended, and the Congress enacted, a program to save the banks, the railroads, the insurance companies, and business and industry generally, and at the same time to put men to work everywhere, and so clothe the needy and feed the hungry.

Judging his record as a whole, and that is the only fair way to judge it, the results of the first 3 years of the Roosevelt Democratic administration, have been so much better for the American people than the results of the preceding 12 years of Republican administration, that we, as Democrats, must, and I believe the people should, regardless of party, support the Democratic candidates.

We Maryland Democrats believe that President Roosevelt should substantially modify a number of the emergency activities inaugurated to meet the depression, and we should urge upon the convention a platform that will insure such a course. We can urge upon the Philadelphia convention the balancing of the Budget, a divorcement of the Federal Government from local problems and a return of them to the States, a widening rather than a restriction of the base of trade at home and abroad, and other matters of like import.

A number of recent happenings indicate that President Roosevelt himself favors such a course.

We can best serve Maryland and the country by participating in the Democratic Party councils and by urging those councils to accept and adopt such modifications of policy at the Philadelphia convention as the times allow, and then by diligently working throughout the campaign for the reelection of President Roosevelt and a Democratic Congress.

And when President Roosevelt is reelected by the course suggested, our party and the people of this State will be in a position to continue to exert their influence to keep the Democratic Party within the bounds of its traditional principles—and to that end I now pledge myself.

NATIONAL PLANNING—EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. MURPHY. Mr. President, on yesterday it was my pleasure to introduce for the RECORD a speech by the distinguished Senator from Pennsylvania [Mr. GUFFEY]. Today I take pleasure in presenting an editorial from the Philadelphia Record commending Senator GUFFEY's speech, which I ask unanimous consent may also be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, Mar. 9, 1936]

WHERE THERE IS NO VISION—

Senator GUFFEY's brilliant radio speech on national planning lays down a challenge this Nation cannot ignore.

"Where there is no vision, the people perish."

That famous phrase from the Bible crystallizes a warning to our civilization, as it has to so many others.

What is vision? It embraces not only the ability but the will to look ahead and anticipate the needs of the future, so far as humanly possible; and, as Senator GUFFEY points out, "the needs of the future of the United States are pretty clearly defined in the minds of intelligent men."

We have wasted our water, coal, and soil resources for years—and we know it.

We know that we can control floods, to a great extent; that we can preserve our soil resources; that we are far behind most other major powers in reforestation.

We know that the fate of China is the fate of a nation with bare, eroded hills, vast, uncontrolled rivers—in short, dissipated national resources.

The challenge, as Senator GUFFEY puts it, is "whether the United States of America is to become China-ized."

One of our great modern triumphs is that of achieving results through organization. Are we to permit our national resources to be wasted because, either through prejudice or stupidity, we fail to apply the principles of organization to effect their rescue?

In his speech Senator GUFFEY declared:

"The American democracy must plan. If it does not, it will all too soon have very little to plan with or plan for, and it will not be a democracy."

"Planning is not a new thing in America. Businessmen have been at it for a long time, with a lawful and legitimate object of increasing their profits. It is only the public's business that, in a large way, has never been planned."

"... and we can have planning under a democratic system without blue-penciling any constitutional guaranties or taking a single comma out of the bill of rights."

Here's a typical example of the crying need for planning, as cited by GUFFEY:

"Pennsylvania is a great producer of coal, and the coal business is not so good as we wish it were. New York is a great producer of water power. ... There is coal and also water power in Ohio and West Virginia."

"All these States are consumers as well as producers of power or potential power. Why shouldn't they be linked in a 'grid' system, under proper public control, which would take full advantage both of the 'white' coal and the black?"

The answer is obvious. We can only ignore the necessity for organizing and conserving these resources at terrific future cost.

We can—if we will—apply organization to flood control, to elimination of such disgraces as the pollution of the Delaware River, to replenishment of the soil in our farm lands and the trees in our forests.

We in the East regard water supply as something inexhaustible. But it isn't. Senator GUFFEY warns that:

"Water is no more an inexhaustible free asset than gold. West of the one hundredth meridian it is so limited in its relation to developed needs that it is the critical resource upon which organized society depends. Let the water supply in those regions be permanently ... impaired and the Indians and the buffalo might as well repossess them—they will never again support a civilized society. And this can happen; make no doubt of that."

The National Resources Board recently estimated that the Nation has only about 25 years' grace to deal realistically with this problem.

Reactionaries cry that our grandchildren may have a legacy of Federal debt, incurred for recovery purposes (one-tenth the burden left by the World War). But these same reactionaries have long been both wasters of our resources and foes of intelligent efforts to conserve them.

Let someone call for sensible planning for the future and Wall Street cries "communism!" Let an earnest President tackle the problem of reforestation, as Roosevelt has done, and the Tory press holds it up to mock and ridicule.

But, as Senator GUFFEY makes clear, the Nation is awakening.

People are learning to look behind the bogeys of self-interest, to recognize that we Americans must apply our God-given intelligence to the conservation of our God-bestowed resources.

There is vision in American statesmanship today.

LINCOLN'S PURPOSES

Mr. COPELAND. Mr. President, I ask leave to have printed in the RECORD portions of an address delivered by Emanuel Hertz before the Lafayette Post of the American Legion at the Hotel Shelton, New York City, February 10, 1936, on the subject of Lincoln's Purposes.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am one of those who believe that for every great crisis in world history Divine Providence seems to have provided the leader called for by the time. Such a crisis occurred in 1861. The Lord was mindful of his own. The crisis produced the man. And that man was Abraham Lincoln.

An unidentified admirer painted the mystery of Lincoln in the words of this symbolic prose:

"The angels said: 'Let us hide Abraham Lincoln where the world would never find him.' They hid that great big, kind, generous humanitarian, God-fearing, sympathetic soul in that long, lean, lanky, homely, gaunt, ungainly body; they bronzed his cheek until he looked like an Indian; they hardened his hands with toil; for employment they gave him common work, poling a flatboat on the Ohio and working in a country store. For a home they gave him a log cabin in the wilderness; for parents, common people whose names were unknown 5 miles away."

"They never knew how it happened, but they could not keep him hidden; and one morning this sleepy, dreary, drowsy old world crawled out of bed, rubbed her eyes, and started on a still hunt for a great man. She struck a new scent and a new trail and it led out through the woods to a log cabin in the wilderness, on a hill, among the trees, and the world waked up and rapped on the door. Abraham Lincoln arose, so big, so high, so manly, so tall, that the roof fell off and the logs rolled down. He stepped forth, a giant among men, where he towered above all human beings."

He met the problems of the day honestly, courageously, and successfully. He was the product of the time, the place, the circumstances to which he was born. He stood out above the common ruck of human pilgrims of his day because he set an abiding milestone along that finite road stretching between the barren peaks of two eternities which we call life.

How long his fame will last has been repeatedly estimated in ever-recurring eulogy. Of all those I prefer Governor Black's: "How long the names of men will last no human foresight can discover, but I believe that even against the havoc and confusion in which so many names go down the fame of Lincoln will stand as immovable and as long as the pyramids against the rustle of Egyptian winds."

It is not usually recognized that Lincoln originated a distinct view of our constitutional law. "The Union is older than any of the States, and, in fact, created them as States. ... The States have their status in the Union, and they have no other legal status. If they break from this they can only do so against law and by revolution. ... Our States have neither more nor less power than that reserved to them in the Union by the Constitution, no one of them ever having been a State out of the Union." Lincoln said the Union is the Nation, the Constitution is the organic law made by the Nation, and in the Constitution the Nation distributes the powers of government between the central Government and the States of the Union and reserves the liberties of the individual against all governmental power. This is the modern conception of the Federal system, and it alone made the Federal system permanent. Were it a union of sovereignties it would make it a temporary plan, and would end in disruption.

Lincoln enunciated a principle 75 years ago which not only preserved the Union against secession, but which is the only principle that can preserve the States of the Union from becoming provinces of a completely centralized government.

Lincoln was, also, the first American statesman to bring out clearly the distinction between the social, political, and civil spheres within our system.

"Chief Justice Taney and Judge Douglas argue that the authors of the Declaration of Independence did not intend to include Negroes in their assertion that all men are created equal, since they did not as a fact place them on an equality with the whites. I think the authors of that notable instrument intended to include all men, but they did not intend to declare all men equal in all respects. They did not mean to say that all men were equal in color, size, intellect, moral development, or social capacity. They defined with tolerable exactness in what respects they did consider all men created equal—equal with certain inalienable rights, among which are life, liberty, and the pursuit of happiness. This they said, and this they meant. They did not mean to assert the obvious untruth that all were then actually enjoying that equality, nor yet that they were about to confer it immediately upon them. ... Judge Douglas finds the Republicans insisting that the Declaration of Independence includes all men, black as well as white, and forthwith he denies that it includes Negroes at all, and proceeds to argue gravely that all who contend it does, do so only because they want to vote and eat and marry with Negroes. He will have it that they cannot be consistent else. Now I protest against the counterfeit logic which concludes that, because I do not want a black woman for a slave I must necessarily want her for a wife. I need not have her for either. I can just let her alone. In some respects she certainly is not my equal; but in her natural right to eat the bread she earns with her own hand,

she is my equal and Judge Douglas' equal, and the equal of all others."

In his speech at Springfield, in 1857, he said: "And now, as to the Dred Scott decision. . . . Judge Douglas denounces all who question the correctness of that decision as offering violent resistance to it. But who resists it? Who has, in spite of the decision, declared Dred Scott free and resisted the authority of his master over him? . . . We believe as much as Judge Douglas (perhaps more) in obedience to, and respect for, the judicial department of the Government. We think its decision on constitutional questions, when fully settled, should control not only the particular cases decided but the general policy of the country, subject to be disturbed only by amendments to the Constitution as provided in that instrument itself. More than this would be revolution. But we think the Dred Scott case is erroneous. We know the Court that made it has often overruled its own decisions, and we shall do what we can to have it overrule this. We offer no resistance to it."

The Lincoln doctrine upon this point, the most important point in our entire constitutional system, was, thus, in a single sentence, that a judicial decision upon a constitutional question is to be overcome only by the Supreme Court itself, which has given the decision, or by a constitutional amendment, and by no other method. But every person in a free country may argue the question on its merits for the peaceable purpose of inducing the same Court to reverse the decision, always obeying the same until such change shall have been made. This is sound to the very core and is the very foundation of American constitutional liberty. "We let this property abide by the decision, but we will try to reverse that decision. . . . somebody has to reverse that decision, since it is made; and we mean to reverse it and we mean to do it peaceably. . . . They decide in this case that Dred Scott is a slave. Nobody resists that. . . . They say that when a question comes up upon another person, it will be so decided again unless the Court overrules its decision. Well, we mean to do what we can to have the Court decide the other way. That is one thing we mean to try to do."

"The sacredness that Judge Douglas throws around this decision is a degree of sacredness that has never been thrown around any other decision; . . . it is the first of its kind; it is an astonishing in legal history. It is a new wonder of the world. It is based upon falsehood in the main as to facts—allegations of facts upon which it stands are not facts at all in many instances. . . . the first instance of a decision made under so many unfavorable circumstances—thus placed, and it has always needed confirmation before the lawyers regarded it as law. . . . I am opposed to that decision, . . . but not in the sense in which he puts it. I say that insofar as it decided in favor of Dred Scott's master. . . . I do not propose to disturb or resist the decision. I have never proposed to do such a thing. . . . He would have the citizen conform his vote to that decision; the Member of Congress, his; the President his use of the veto power. He would make it a rule of political action for the people and all the departments of the Government. I would not. By resisting it as a political rule, I disturb no right of property, create no disorder, excite no mobs." And then he concludes with a definite declaration that "If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal. . . . Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

The strange thing about these references to the Dred Scott decision is that one of the most pertinent statements by Lincoln has been left unquoted, when Lincoln ventured a prophecy as to the fatal results of the Dred Scott decision. He did not seem to be much afraid of the Dred Scott decision in itself, as may be seen from his comments on it, but he was very much afraid of the results, or, as he called it, the new Dred Scott decision, should another case of like character come before the Supreme Court, and which he asserted would bring slavery not only into the Territories but into the States as well: "My own opinion is that the new Dred Scott decision, deciding against the right of the people of the States to exclude slavery, will never be made if that party is not sustained by the elections. I believe further that it is just as sure to be made as tomorrow is to come, if that party shall be sustained. I have said upon a former occasion, and I repeat it now, that the course of argument that Judge Douglas makes use of upon this subject—I charge not his motives in this—is preparing the public mind for that new Dred Scott decision. I have asked him again to point out to me the reasons for his first adherence to the Dred Scott decision as it is. I have turned his attention to the fact that General Jackson differed with him in regard to the political obligation of a Supreme Court decision. I have asked his attention to the fact that Jefferson differed with him in regard to the political obligation of a Supreme Court decision. Jefferson said that 'judges are as honest as other men, and not more so.' And he said, substantially, that whenever a free people should give up in absolute submission to any department of government, retaining for themselves no appeal from it, their liberties were gone."

What were Lincoln's purposes in fighting the Civil War to a finish?

He certainly did not covet land; he was not land hungry; with his great army of veterans he could have conquered Mexico and Canada and his new navy of steel could have shattered the wooden

bulks of the navies of the world. He had greater power than any other ruler of his time. He certainly did not seek a dictatorship. Lincoln, the man of peace, wielding a dictator's scepter, seems a paradox. He did not pack his Congress nor "purge" Congress, as did Cromwell his Parliament. Elections were not controlled; violence was not employed after the fashion of modern bellowing dictators. Lincoln's attitude toward freedom of thought was not that of a dictator. Lincoln submitted to election by the people; the election of 1862 went heavily against him. He certainly did not seek perpetuation in office. The moment Appomattox became history he regretted his reelection and decided to return to Springfield the moment his second term was over. He had no particular plans for his family. He considered reconstruction—the *bête noire* of his successors—a mere incident to the war—the States were coming back—the soldiers were going home—there was to be no wholesale punishment.

Why, then, did he fight the great war?

Why throw a half a million precious lives into the balance?

It could not have been military glory which he sought—military glory—"that attractive rainbow that arises in showers of blood; that serpent's eye that charms to destroy."

And, on the other hand, those who would have us believe that all that Lincoln strove for was achieved at Appomattox do not understand his purposes. At that time all he accomplished was to save the Union; that was his first step—the indispensable step. He hardly would have permitted the war to be fought for the sordid ends that resulted so soon after his passing. What, then, were the real purposes for which he fought? He must have known. You cannot fail seeing his vision if you read his words at Gettysburg and at the second inaugural. Olive Schreiner tells of the hunter who saw and sought the bird of truth and followed it over the mountains. Height after height he scaled only to see other mountains beyond. Finally he comes to a sheer wall of rock and climbs, painfully hewing the steps as he rises, with perspiration and groans. At last, out of breath, he reaches the top, only to find another height still to climb. His last words are: "Where I lie down worn out, other men will stand young and fresh. By the steps that I have cut they will climb; by the stairs I have built they will mount. They will never know the name of the man who made them. But they will mount, and by my work; they will climb, and by my stairs. For no man liveth to himself." He must have meant that in his reflections after his defeat by Douglas, "I am proud, in my passing speck of time, to contribute an humble mite to that glorious consummation, which my own poor eyes may not last to see."

When the question was raised, "Would the Nation fight for national righteousness; would it sacrifice property, life, possibly existence, that justice might reign?" In answer, the whole Nation rose to greatness, but that greatness was embodied in this one man more than in the whole Nation. It had been no uncommon thing for a people to fight for their own freedom. We had fought for freedom, but not till then did we fight to make others free. The people may not have known at the time that they were under his spell and under his authority. Now we see it all and understand that no less an authority and no other kind of authority could have wrought out the issue. One of his successors aptly said: "My dream is that as the years go on and the world knows more and more of America it will turn to America for those moral inspirations which lie at the basis of all freedom; that the world will never fear America unless it feels that it is engaged in some enterprise which is inconsistent with the rights of humanity; and that America will come into the full light of the day when all shall know that she puts human rights above all other rights and that her flag is the flag not only of America but of humanity." This was Lincoln's dream. He was the first Chief Magistrate who had such a dream. Little wonder that his contemporaries were slow to keep up with him. The other day the eloquent and scholarly Senator from Arizona—HENRY F. ASHURST—quoted from one of his own speeches, which fits in with Lincoln's aims and ideals:

"If our country is to retain, as I believe she will, her historic position as the leader and noble pioneer in the vanguard of progress and human liberty, if she is to remain the beautiful exemplar, we must keep her, in Senate, in court, in camp, in field, and in home, true to the principles upon which she was founded."

"What shall it profit a nation if by keeping an unpunctured skin it rots its heart? What shall it profit a nation to keep a full pocket and lose its soul? America must not only rear temples, build cities, conquer deserts, enchain the bolts of Olympian Jove, hew down mountains, and harness waters that pour destructive floods; she must also heal sore wounds, crush bigotry and race hatred; struggle for liberty, endow the youth of the land with standards of courageous patriotism, and constantly pour forth her long-enduring strength for the vindication of American rights and the preservation of human justice on these shores."

"I can almost hear Lincoln when I read this program for the future of America."

There had been a sufficient number of commonplace executives before him—too many, perhaps—with similar records of blunders and blindness—normal members of the tribe called "available"—so that it was difficult at the time to catch up with one who was so magnificently different; a personality of such fascinating splendor, the kind of a man whose deeds, whose intelligence, and whose energy almost justify the existence of the human race.

In outlining his purposes we must gather them from isolated statements which he made from time to time; from these we can plainly see that he was neither selfish nor narrow in endeavoring to enact his vast and far-flung plans.

In the accomplishment of those purposes the colossal central figure is, of course, Lincoln. Therefore his views on his own role in the function of his office are interesting. What was Lincoln's conception of that community which he calls in his messages our National Union?

His conception of the permanent form of our National Union was a federal one. He did not hesitate to declare "that the maintenance inviolate of the rights of the States, and especially the right of each State to control its domestic institutions according to its own judgment exclusively, is essential to that balance of powers on which the perfection and endurance of our political fabric depend."

Lincoln conceived our National Union as a people's government. This is too often forgotten. We must see Lincoln as a statesman of the masses. Thus he conceived himself. With startling explicitness he committed himself to the belief that the mass, the laborers, were the part of the Nation entitled to the greatest share of its benefits. On February 13, 1861, he said "the workingmen are the basis of all government." On August 18, 1864, he said: "We have, as all will agree, a free government, where every man has a right to be equal to every other man. * * * There is involved in this struggle the question whether your children and my children shall enjoy the privileges we have enjoyed. I say this in order to impress upon you, if you are not already so impressed, that no small matter should divert us from our great purpose."

On August 22, 1864, he said: "I happen temporarily to occupy the White House. I am a living witness that any one of your children may look to come here as my father's child has."

In his letter to the New York workingmen he says: "The strongest bond of human sympathy, outside the family relation, should be one uniting all working people of all nations and tongues and kindreds. Nor should this lead to a war upon property or the owners of property * * *. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example insuring that his own shall be safe from violence when built."

Another feature of Lincoln's conception of the National Union is involved in his attitude toward the source of political authority. Asserting the right of the President to assume in emergency vast authority, he concludes that "if he uses the power justly, the * * * people will probably justify him; if he abuses it, he is in their hands to be dealt with by all the modes they have reserved to themselves in the Constitution." Elsewhere he asks: "Must a government of necessity be too strong for the liberties of its own people, or too weak to maintain its own existence?" In his own mind the assumptions of arbitrary power were to him part of the general right to wage war. His election for four years was to him an irrevocable mandate. What should be noted here is Lincoln's boldness with which he planted himself on the idea of delegated authority. He refused to be the mere spokesman of the people. He was in his own mind their representative, on whom, for the duration of his term, certain powers had been bestowed. For that time these powers were his. He took upon his own shoulders the decision of how the situation should be met, launched a whole series of war measures, and irrevocably committed the country to a definite war policy months before Congress was even called into session.

There is another feature of Lincoln's conception: "A nation", he asserts, "may be said to consist of its territory, its people, and its laws. The territory is the only part that is of certain durability. 'One generation passeth away and another cometh, but the earth abideth forever.' It is of the first importance to duly consider and estimate this ever-enduring part." To Lincoln America was at that time infinitely more than an aggregate of 30,000,000 people; to Lincoln America was the concrete realization of what the ages have hoped for and labored for. Rabbi Abba Hillel Silver has perhaps best expressed this idea:

"God built a continent of glory and filled it with treasures untold. He carpeted it with soft rolling prairies and pillared it with thundering mountains. He studded it with soft-flowing fountains and traced it with long-winding streams. He graced it with deep-shadowed forests and filled them with song."

"Then he called unto a thousand people and summoned the bravest among them. They came from the ends of the earth, each bearing a gift and a hope. The glow of adventure was in their eyes, and the glory of hope within their souls. And out of the labor of men and the bounty of earth, out of the prayers of men and the hopes of the world, God fashioned a nation in love, blessed it with a purpose sublime, and called it 'America.'"

And Lincoln is the type of this American. In one of his lectures Professor Burgess states what he conceives to be the chief characteristics of the typical American. He indicates his dominating understanding, free from passion and prejudice; his sense of humor, coupled with an earnestness firmer than a wall of granite. He dwells upon his strong ethical character; his spirit of enterprise; and finally the principle which activates him, that the government of a free people must always gather its financial resources from taxes levied with justice and equality upon all those subject to its jurisdiction, and then he concludes by saying: "I am compelled to say that I have described to you a character all of whose traits are or have been manifested by but few persons even in my own country. It is the character of a people, rather than of particular individuals, which I have discussed. Among all the great personalities of our history I know only one who has exhibited all of these qualities in distinctness and harmony. It was not Washington; he was too rich, too aristocratic, and a slaveholder. It was not Hamilton; he was not sufficiently strict in his morality. It was not

Jefferson; he was too pedantic and also a slaveholder. It was not Clay nor Webster nor Calhoun; the first and second lived too freely and the third had too little appreciation of the rights of men. Neither was it Jackson; he was too violent in thought and speech. Nor was it Grant; he lacked too much the correct estimate of men. It was Abraham Lincoln."

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana [Mr. MINTON] to reconsider the vote by which the so-called Bailey amendment in the nature of a substitute was agreed to.

Mr. McNARY. Mr. President, I am advised the Senator from North Carolina [Mr. BAILEY] desires to discuss the matter at this time. I observe his absence and therefore suggest the absence of a quorum.

Mr. BARKLEY. The Senator from North Carolina will be here in a few minutes.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Davis	Logan	Russell
Bailey	Dickinson	Lomorgan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahay	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Stelwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Holt	Overton	Wheeler
Connally	Johnson	Pittman	White
Coolidge	Keyes	Pope	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

The question is on agreeing to the motion of the Senator from Indiana [Mr. MINTON] to reconsider the vote by which the Senate adopted what is known as the Bailey amendment to the Panama Canal tolls bill.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY] for the committee amendment.

Mr. BAILEY. Mr. President, first of all I wish to address my remarks to repeated statements on the floor, in the course of the debate, to the effect that the opposition to the proposed legislation comes from the shipping interests.

I am not going to say anything about that sort of argument in the Senate of the United States. I do not intend, as long as I live, to respond to that sort of argument; but I am going to show from the record that insofar as we have any evidence whatever, the shipping interests are supporting the proposed legislation.

That is a bald statement; but how is it supported? It is supported by the report of the committee, no. 1565, filed by the chairman of the committee, the junior Senator from Oklahoma [Mr. GORE].

I read from the report, first, on page 4:

That the dual system is unsatisfactory is conceded by all concerned.

Now, hear me—

The steamship interests have so testified before committees considering this legislation on numerous occasions in no uncertain terms.

There is one record as to where the steamship interests stand. Let us go further.

On page 8 of the report of the committee, being the same report I have just mentioned, I find the following:

Representatives of the steamship interests recognize that the dual system is unsatisfactory and favor a single system.

There the steamship interests again are put down in the record as favoring this proposed legislation. The whole argument for the measure has been that it changes the system of measurement from the dual system to the single system.

Again, on page 9 of the report we have extracts from the testimony of two representatives of the shipping interests, Mr. Peterson and afterward Mr. Duff. Concerning Mr. Duff it is stated that—

Mr. Duff was associated with the American Steamship Owners' Association.

I take it that Mr. Peterson has some connection of the same kind, as it appears that he was a witness on behalf of the steamship interests.

Again, from the same report of the same committee, on page 11, I read the following:

This whole subject has been so well summarized in an editorial of the March 1935 issue of the *Marine Review*, a journal devoted to the interests of shipping, that your committee begs leave to quote the following paragraphs from said editorial—

And these paragraphs are paragraphs recommending the proposed legislation. That is the evidence as to where the shipping interests are in this matter.

Mr. ADAMS. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. BAILEY. I do.

Mr. ADAMS. May I call the Senator's attention to another very important reason as to why the shipping interests should be for the bill? The bill reduces the rates of toll. That is the very unusual thing in the bill. It fixes, not a minimum toll, but a maximum toll. In other words, if the shipping interests are not for the bill they are overlooking their own advantage, because we are fixing for the use of a Government agency not a minimum but a maximum charge per ton.

Mr. BAILEY. Mr. President, I thank the Senator. That is further evidence; but I am contending—

Mr. GORE. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. Let me finish. Of course, I am going to yield to the Senator, but I have just started a sentence.

Mr. GORE. I merely wanted to put in the RECORD in connection with what the Senator from Colorado said the fact that the bill fixes both a maximum and a minimum.

Mr. BAILEY. I am content to repeat the statement made in the argument by the proponents of the legislation by their own evidence, and it is absolute and unqualified. It cannot be contradicted.

Mr. President, of course votes on legislation may be obtained in the Senate by suggesting that there are motives here other than the national interest. I shall not give arguments of that sort the dignity to deny them, but when they are refuted by the report of the committee itself I am content to lay on one side of the measure the statements from the committee that the shipping interests are opposing the bill, and on the other the statements from the same source that the shipping interests are supporting the bill. I will leave it to the other side to reconcile those contradictory statements.

Again I wish to call the attention of the distinguished senior Senator from Nebraska [Mr. NORRIS], if he will listen to me for just one moment, to the fact that he, a true and just man, as we all recognize him to be, was so affected by this argument that in a conciliatory spirit he made the following statement:

I am inclined to agree with the Senator that perhaps someone is hiding under that chip—

The word "chip" there refers to the substitute.

but as the Senator from Wisconsin said, "it would at least clear that chip away if we should adopt the substitute."

I wish to assure the distinguished Senator that nothing is being hidden under any chip. There is no reason to suspect that anything is being hidden under a chip. I do not know

whether my friend found his simile or his metaphor in the woodpile or the poker game [laughter], but I hope he understands that here in the Senate, even if we should play poker, there would be nothing under the chips.

Mr. President, I brought that out for one purpose. That just goes to show how far a good man's mind, a just man's mind, may be affected by the insinuation that those of us who oppose the measure, not absolutely but only by way of asking for facts and further investigation, have some ulterior motive, something "under a chip."

Of course, I will say that the Senator from Nebraska was very kindly. He said, as he always has said in the Senate, that he would impugn no man's motives, and would give each man here the same credit for good faith which he hoped they would give to him; but there is your illustration. I am saying that there is nothing under a chip here. Now, hear me: My substitute is precisely the same language that the committee wrote in their bill; and if there is a chip under my substitute, then there is a chip under their bill.

That is the fact. That is the way the bill came in here; and the Senate adopted that portion of the bill. So, I take it, that clears that matter.

Now, however, I am going into the other argument.

My substitute was described here repeatedly as a sham. That struck me as a strange thing. I do not know any Senator here who introduces sham legislation.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WAGNER. As I understand the Senator's attitude—and it is my attitude—what the Senator desires to do is to have an investigation of the facts first, in order to ascertain whether it is wise to enact the proposed legislation, whereas the proponents seem to take the position that the legislation should be enacted first, and then the Senate ascertain by investigation as to whether what they did was wise or not.

Mr. BAILEY. Yes; and I am going to raise the question, When heretofore in the Senate did argument descend to the depths of describing amendments or substitutes or bills as "shams"? I think gentlemen lose their tempers, and I will forgive them for losing their tempers; I will not quarrel with them for losing their tempers. It was not described as a "sham" until it had prevailed in the Senate; and that explains a lot to me. If it was a sham, then 35 Senators voted for a sham. If it was a sham, then 62 Senators voted for a sham 3 weeks ago. I am going to exonerate the Senators. I do not think they meant to insult me. I think they lost their tempers. I believe I am justified in saying that. If the substitute had been described as a sham in the debate on the merits, the situation would have been different, but said in a moment when the Senate had voted against the wishes of these Senators, it may be excusable.

Mr. President, it is not a sham. Let us look into it. How did it come into the Senate in the first instance? It came into the Senate in the committee's bill, and the committee will not be heard to say to the Senate that it introduced here a sham piece of legislation.

Where did I get the suggestion that there should be an investigation? I got it from section 2 of the committee's bill. Where did I get the suggestion that a commission should be appointed? I got it from section 2 of the committee's bill. And now the committee chairman tells me that that was a sham. He can say all he pleases about its being a sham in his bill, and I think that that is as far as I would go in the matter.

I do not intend to raise any feelings, but I do intend to clear this matter. Now, to clear the matter as to the shipping interests, the evidence from the committee's report is that the shipping interests are for the committee bill, and the evidence from the legislation itself is that if the demand for an investigation is a sham, then the committee has proposed a sham.

Am I right in saying that there ought to be an investigation of this matter before so serious a step is taken as the abandonment of the system which we have followed successfully for 22 years, that before we do that there should be an investigation and the facts found? If so, the com-

mittee is wrong again, and I will read again from the report. On page 2, paragraph 5, I find this language—and this is from the committee's report supporting the bill:

The assurance that a detailed study of the rules and all other factors pertaining to toll rates will be made to enable the President to prescribe toll rates which will be equitable both to shipping interests and the Government renders unnecessary any legislative requirement.

So the committee reports that there must be a detailed study of the rules and all other factors. Yet when I ask, by my substitute, that the study be made first and the legislative action be taken thereafter, I am accused of sponsoring a policy of delay. My substitute, calling precisely for what the committee say is necessary, is described as a sham. I think that I am very fortunate in having this report here. It destroys every insinuation that has been made, and it is the best argument for the support of my substitute.

What does the substitute provide? The substitute asks that the President be authorized to appoint a commission to study this grave question of the management of the Panama Canal and the shipping through it, and report back by January 1, 1937; and that is less than 10 months off.

The argument against that is that we are trying to bring about delay. At the same time the committee say study is necessary. They say they have assurance. I do not know where they got it; it does not appear here. They say every factor is to be looked into. They themselves are not asking that the legislation shall be effective until January 1, 1937. Under the substitute we will get the report January 3, 1937, and we can legislate in 30 days. Yet we have the picture painted to us of Queen Elizabeth standing on the floor of her bedroom, dying and crying "A kingdom for a moment of time."

Mr. President, that is where that argument goes out of the window. There could not be a delay of 30 days. Shall we not give 30 days' time for the study of a change in the structure of the tolls charged at the Panama Canal? Is that an unimportant matter? Now, hear me about that.

The Panama Canal is related to all the freight rates in the United States. I do not know where the interests of the transcontinental lines of railway lie in this matter. I should like to know. Nobody can tell us now. The rates across the continent are relative to the rates of tolls charged at the Canal. If we change the Canal tolls, what will be the effect upon the rates? I do not know; and if there is a Senator who does know, I should be very grateful to him if he would inform the Senate, because, without taking any liberties, I suspect the Senate does not know, either.

When I ask that we shall take 6 months of time to have a study made by a commission formally appointed, I am asked to vote for the bill, and a study is promised. I have no assurance of it, and I do not know who will make it, but if my substitute shall be agreed to, the President will appoint the commission, it will report by January 1 next, and we will know what we are doing.

The Panama Canal relates itself directly to the merchant marine of the United States, and if there is a sore spot in our national defense and our national economy, the merchant marine is the sore spot. I do not intend to discuss the merits of that question now. It is conceivable that we might erect a system of tolls charged at the Panama Canal whereby the coastwise shipping of the United States would receive rates so low that the merchant marine could be built without a subsidy.

I have always thought it was wrong, in making the arrangements in response to the treaty with Great Britain, to put our coastwise shipping on the level of the world shipping. Now, hear me. I honor President Woodrow Wilson for the high position he took, one of great generosity, one of ultimate justice, I think, in refusing to have a quarrel with Great Britain about the interpretation of the Hay-Pauncefote treaty.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. McAdoo in the chair). Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. BAILEY. I yield.

Mr. BORAH. May I ask the Senator from North Carolina what possibility there was of having a quarrel with Great Britain about the Hay-Pauncefote treaty?

Mr. BAILEY. What the possibility of the quarrel was?

Mr. BORAH. Yes; about the Hay-Pauncefote treaty.

Mr. BAILEY. That was the Panama Canal tolls treaty.

Mr. BORAH. Yes; I know; but how could there possibly be any quarrel with Great Britain about that?

Mr. BAILEY. Mr. President, I probably used the wrong word when I said "quarrel." There was a protest made by Great Britain. I was using the word "quarrel" in the sense of "protest." There was a formal protest filed in 1912.

Mr. BORAH. But there would naturally be a protest where the interest of Great Britain was involved.

Mr. BAILEY. Yes.

Mr. KING. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. KING. It was contended that a proper construction of the Hay-Pauncefote treaty precluded discrimination in the matter of tolls as between the United States and Great Britain. Whether the position of Great Britain was just or unjust, I do not state, but there was the contention made by her that there would be a violation of the terms of the treaty.

Mr. BORAH. Mr. President, I could not understand what the Senator from Utah said.

Mr. KING. Will the Senator from North Carolina yield further?

Mr. BAILEY. I yield.

Mr. KING. I stated that there was a protest, because Great Britain contended—whether her contention was just or unjust, I make no observation—that the treaty was violated in that there would be discrimination against her in the matter of tolls.

Mr. BORAH. Of course, that was the protest that Great Britain made, but that protest had been settled by the action of the Senate, and it was not really open to consideration any longer. The protest was not founded upon a fair construction of the treaty.

Mr. BAILEY. The Senator is correct. I have here in my hand a book entitled "The Isthmian Highway", by Hugh Gordon Miller, in the Monroe centennial edition. I read from page 190 as to this protest. I know the Senator from Utah [Mr. KING] will be particularly interested in this. Here is the language of the protest:

As to the proposal that exemption shall be given to vessels engaged in the coastwise trade, a more difficult question arises. If the trade should be so regulated as to make it certain that only bona-fide coastwise traffic, which is reserved for United States vessels, would be benefited by this exemption, it may be that no objection could be taken.

Mr. President, Great Britain herself did not protest against favoring the coastwise traffic of the United States in our own canal. Even Great Britain conceded that right.

Mr. LEWIS. Mr. President, will the Senator from North Carolina allow me to interpolate a suggestion to him for his consideration?

Mr. BAILEY. I shall be delighted.

Mr. LEWIS. President Wilson during his campaign in a speech in New Jersey on a question which was something of a foundation issue, asserted there would be the exemption from tolls in behalf of the American ships. As the matter proceeded, as the Senator from Idaho [Mr. BORAH] has called attention, there was a great deal of protest against that provision being withdrawn. The President sent a message to the Senate in which he sought with great freedom and frankness to overcome his previous prediction on the subject and to announce that there could not be the change; that the tolls would have to remain as before ascribed, but I beg to call the attention of the Senator from North Carolina to how much more a serious question of practical import it was at that time. If we assumed to give to our ships such advantage of exemption how far would there be the

retaliation on the part of Great Britain as to the Suez Canal or other waters in which she claimed sovereignty as against the American vessels? The business feature of the matter superseded, if I am not in error, the mere construction of the treaty.

Mr. BAILEY. I thank the Senator. I am now going to read one other bit of evidence. This is from the late Theodore Roosevelt:

I believe that the position of the United States is proper as regards the coastwise traffic. I think that we have the right to free, bona-fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls.

And to the same effect Mr. Taft, and also to the same effect Mr. Philander C. Knox. Yet here we have gone on otherwise, and the pending bill proposes that we shall continue so to go on, and it goes still further. We adopt the rules of Panama and reject the rules of the United States, and at the same time the world shipping and the coastwise shipping are all put in the same boat and under the same conditions. And the Canal is our canal.

So Mr. President, I think I have some reasons for being interested in this question, and since there are questions here as to that interest I do not intend to claim too much for myself, but I speak in the national interest.

I cannot express myself concerning people who intimate to the contrary either.

Mr. President, there is the state of the matter. We propose to abandon the United States rules and take over the Panama rules. We propose to abandon a system which has operated magnificently for 22 years. The Canal is a paying institution. We propose to change the thing from the foundation, and no man can tell us what the consequences may be, and when we ask that there be a delay of 30 days, so far as final legislation is concerned, in order that the President may appoint a commission and find the facts and tell us what the consequences will be, we are told that the shipping interests are the interests which are speaking with us, and that our substitute is a sham.

Is there a Senator in the body who could tell me what the consequences will be of the passage of the pending bill? If there is, he has not spoken yet in this debate. Is there a Senator who can tell me what will be the difference as between the oil tankers and the cargo and passenger ships? If so, he has not made it clear to the Senate.

Let me now recall an instance. When this bill first came on the floor of the Senate I did oppose it on the ground—which was not the whole reason, but one reason—that it transferred the burden of the tolls onto the passenger and the cargo ships and off the oil carriers. That was denied at the time, but when the bill came back after the Senate had recommitted it there was a concession of 10 cents a ton put on the oil tankers. Was that "sham"?

The VICE PRESIDENT. Will the Senator from North Carolina suspend in order to permit the managers on the part of the House of Representatives in the impeachment proceedings to appear and present the articles of impeachment?

Mr. BAILEY. Mr. President, may I take my seat with the right to resume at the end of the impeachment proceedings?

The VICE PRESIDENT. The Senator will have the floor when the Senate resumes legislative session.

IMPEACHMENT OF HALSTED L. RITTER

At 1 o'clock p. m. the managers on the part of the House of Representatives of the impeachment of Halsted L. Ritter appeared below the bar of the Senate, and the secretary to the majority, Leslie L. Biffle, announced their presence, as follows:

I have the honor to announce the managers on the part of the House of Representatives to conduct the proceedings in the impeachment of Halsted L. Ritter, United States district judge in and for the southern district of Florida.

The VICE PRESIDENT. The managers on the part of the House will be received and assigned their seats.

The managers, accompanied by the Deputy Sergeant at Arms of the House of Representatives, William K. Weber, were thereupon escorted by the secretary to the majority to the seats assigned to them in the area in front and to the left of the Chair.

The VICE PRESIDENT. The Chair understands the managers on the part of the House of Representatives are ready to proceed with the impeachment. The Sergeant at Arms will make proclamation.

The Sergeant at Arms, Chesley W. Jurney, made proclamation, as follows:

Hear ye! Hear ye! Hear ye! All persons are commanded to keep silent, on pain of imprisonment, while the House of Representatives is exhibiting to the Senate of the United States articles of impeachment against Halsted L. Ritter, United States district judge in and for the southern district of Florida.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk (Emery L. Frazier) called the roll, and the following Senators answered to their names.

Adams	Copeland	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson
Austin	Davis	Logan	Russell
Bachman	Dickinson	Loneragan	Schwellenbach
Bailey	Dieterich	Long	Sheppard
Barbour	Donahay	McAdoo	Shipstead
Barkley	Duffy	McGill	Smith
Benson	Fletcher	McKellar	Stelwer
Bilbo	Frazier	McNary	Thomas, Okla.
Black	George	Maloney	Thomas, Utah
Bone	Gibson	Minton	Townsend
Borah	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Van Nuys
Capper	Hatch	Norris	Wagner
Caraway	Hayden	O'Mahoney	Walsh
Carey	Holt	Overton	Wheeler
Clark	Johnson	Pittman	White
Connally	Keyes	Pope	
Coolidge	King	Radcliffe	

Mr. LEWIS. I announce that the Senator from Colorado [Mr. COSTIGAN] is necessarily detained.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present. The managers on the part of the House will proceed.

Mr. Manager SUMNERS. Mr. President, the managers on the part of the House of Representatives are here present and ready to present the articles of impeachment which have been preferred by the House of Representatives against Halsted L. Ritter, a district judge of the United States for the southern district of Florida.

The House adopted the following resolution, which, with the permission of the Senate, I will read:

House Resolution 439

IN THE HOUSE OF REPRESENTATIVES,
March 6, 1936.

Resolved, That HATTON W. SUMNERS, RANDOLPH PERKINS, and SAM HOBBS, Members of this House, be, and they are hereby, appointed managers to conduct the impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida; that said managers are hereby instructed to appear before the Senate of the United States and at the bar thereof in the name of the House of Representatives and of all the people of the United States to impeach the said Halsted L. Ritter of high crimes and misdemeanors in office and to exhibit to the Senate of the United States the articles of impeachment against said judge which have been agreed upon by this House; and that the said managers do demand that the Senate take order for the appearance of said Halsted L. Ritter to answer said impeachment, and demand his impeachment, conviction, and removal from office.

JOSEPH W. BYRNS,
Speaker of the House of Representatives.

Attest:

SOUTH TRIMBLE, Clerk.

[Seal of the House of Representatives.]

Mr. President, with the permission of the Vice President and the Senate, I will ask Mr. Manager HOBBS to read the articles of impeachment.

The VICE PRESIDENT. Mr. Manager HOBBS will proceed, and the Chair will take the liberty of suggesting that he stand

at the desk in front of the Chair, as from that position the Senate will probably be able to hear him better.

Mr. Manager HOBBS, from the place suggested by the Vice President, said:

Mr. President and gentlemen of the Senate:

ARTICLES OF IMPEACHMENT AGAINST HALSTED L. RITTER
House Resolution 422, Seventy-fourth Congress, second session
Congress of the United States of America
IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
March 2, 1936.

Resolved, That Halsted L. Ritter, who is a United States district judge for the southern district of Florida, be impeached for misbehavior and for high crimes and misdemeanors; and that the evidence heretofore taken by the subcommittee of the Committee on the Judiciary of the House of Representatives under House Resolution 163 of the Seventy-third Congress sustains articles of impeachment, which are hereinafter set out; and that the said articles be, and they are hereby, adopted by the House of Representatives, and that the same shall be exhibited to the Senate in the following words and figures, to wit:

Articles of impeachment of the House of Representatives of the United States of America in the name of themselves and of all of the people of the United States of America against Halsted L. Ritter, who was appointed, duly qualified, and commissioned to serve, during good behavior in office, as United States district judge for the southern district of Florida, on February 15, 1929

ARTICLE I

That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of a high crime and misdemeanor in office in manner and form as follows, to wit: On or about October 11, 1929, A. L. Rankin (who had been a law partner of said judge immediately before said judge's appointment as judge), as solicitor for the plaintiff, filed in the court of the said Judge Ritter a certain foreclosure suit and receivership proceeding, the same being styled "Bert E. Holland and others against Whitehall Building and Operating Company and others" (No. 678-M-Eq.). On or about May 15, 1930, the said Judge Ritter allowed the said Rankin an advance of \$2,500 on his fee for his services in said case. On or about July 2, 1930, the said Judge Ritter by letter requested another judge of the United States District Court for the Southern District of Florida, to wit, Hon. Alexander Akerman, to fix and determine the total allowance for the said Rankin for his services in said case for the reason as stated by Judge Ritter in said letter, that the said Rankin had formerly been the law partner of the said Judge Ritter, and he did not feel that he should pass upon the total allowance made said Rankin in that case, and that if Judge Akerman would fix the allowance it would relieve the writer, Judge Ritter, from any embarrassment if thereafter any question should arise as to his, Judge Ritter's favoring said Rankin with an exorbitant fee.

Thereafterward, notwithstanding the said Judge Akerman, in compliance with Judge Ritter's request, allowed the said Rankin a fee of \$15,000 for his services in said case, from which sum the said \$2,500 theretofore allowed the said Rankin by Judge Ritter as an advance on his fee was deducted, the said Judge Ritter, well knowing that at his request compensation had been fixed by Judge Akerman for the said Rankin's services in said case, and notwithstanding the restraint of propriety expressed in his said letter to Judge Akerman, and ignoring the danger of embarrassment mentioned in said letter, did fix an additional and exorbitant fee for the said Rankin in said case. On or about December 24, 1930, when the final decree in said case was signed, the said Judge Ritter allowed the said Rankin, additional to the total allowance of \$15,000 theretofore allowed by Judge Akerman, a fee of \$75,000 for his services in said case, out of which allowance the said Judge Ritter directly profited. On the same day, December 24, 1930, the receiver in said case paid the said Rankin, as part of his said additional fee, the sum of \$25,000, and the said Rankin on the same day privately paid and delivered to the said Judge Ritter the sum of \$2,500 in cash; \$2,000 of said \$2,500 was deposited in bank by Judge Ritter on, to wit, December 29, 1930, the remaining \$500 being kept by Judge Ritter and not deposited in bank until, to wit, July 10, 1931. Between the time of such initial payment on said additional fee and April 6, 1931, the said receiver paid said Rankin thereon \$5,000. On or about April 6, 1931, the said Rankin received the balance of the said additional fee allowed him by Judge Ritter, said balance amounting to \$45,000. Shortly thereafter, on or about April 14, 1931, the said Rankin paid and delivered to the said Judge Ritter, privately, in cash, an additional sum of \$2,000. The said Judge Halsted L. Ritter corruptly and unlawfully accepted and received for his own use and benefit from the said A. L. Rankin the aforesaid sums of money, amounting to \$4,500.

Wherefore the said Judge Halsted L. Ritter was and is guilty of misbehavior and was and is guilty of a high crime and misdemeanor.

ARTICLE II

That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed

by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

On the 15th day of February 1929 the said Halsted L. Ritter, having been appointed as United States district judge for the southern district of Florida, was duly qualified and commissioned to serve as such during good behavior in office. Immediately prior thereto and for several years the said Halsted L. Ritter had practiced law in said district in partnership with one A. L. Rankin, which partnership was dissolved upon the appointment of said Ritter as said United States district judge.

On the 18th day of July 1928 one Walter S. Richardson was elected trustee in bankruptcy of the Whitehall Building & Operating Co., which company had been adjudicated in said district as a bankrupt, and as such trustee took charge of the assets of said Whitehall Building & Operating Co., which consisted of a hotel property located in Palm Beach in said district. That the said Richardson as such trustee operated said hotel property from the time of his said appointment until its sale on the 3d of January 1929, under the foreclosure of a third mortgage thereon. On the 1st of November and the 13th of December 1929, the said Judge Ritter made orders in said bankruptcy proceedings allowing the said Walter S. Richardson as trustee the sum of \$16,500 as compensation for his services as trustee. That before the discharge of said Walter S. Richardson as such trustee, said Richardson, together with said A. L. Rankin, one Ernest Metcalf, one Martin Sweeney, and the said Halsted L. Ritter, entered into an arrangement to secure permission of the holder or holders of at least \$50,000 of first-mortgage bonds on said hotel property for the purpose of filing a bill to foreclose the first mortgage on said premises in the court of said Halsted L. Ritter, by which means the said Richardson, Rankin, Metcalf, Sweeney, and Ritter were to continue said property in litigation before said Ritter. On the 30th day of August 1929, the said Walter S. Richardson, in furtherance of said arrangement and understanding, wrote a letter to the said Martin Sweeney, in New York, suggesting the desirability of contacting as many first-mortgage bondholders as possible in order that their cooperation might be secured, directing special attention to Mr. Bert E. Holland, an attorney, whose address was in the Tremont Building in Boston, and who, as cotrustee, was the holder of \$50,000 of first-mortgage bonds, the amount of bonds required to institute the contemplated proceedings in Judge Ritter's court.

On October 3, 1929, the said Bert E. Holland, being solicited by the said Sweeney, requested the said Rankin and Metcalf to prepare a complaint to file in said Judge Ritter's court for foreclosure of said first mortgage and the appointment of a receiver. At this time Judge Ritter was holding court in Brooklyn, N. Y., and the said Rankin and Richardson went from West Palm Beach, Fla., to Brooklyn, N. Y., and called upon said Judge Ritter a short time previous to filing the bill for foreclosure and appointment of a receiver of said hotel property.

On October 10, 1929, and before the filing of said bill for foreclosure and receiver, the said Holland withdrew his authority to said Rankin and Metcalf to file said bill and notified the said Rankin not to file the said bill. Notwithstanding the said instructions to said Rankin not to file said bill, said Rankin, on the 11th day of October 1929, filed said bill with the clerk of the United States District Court for the Southern District of Florida, but with the specific request to said clerk to lock up the said bill as soon as it was filed and hold until Judge Ritter's return so that there would be no newspaper publicity before the matter was heard by Judge Ritter for the appointment of a receiver, which request on the part of the said Rankin was complied with by the said clerk.

On October 16, 1929, the said Holland telegraphed to the said Rankin, referring to his previous wire requesting him to refrain from filing the bill and insisting that the matter remain in its then status until further instruction was given; and on October 17, 1929, the said Rankin wired to Holland that he would not make an application on his behalf for the appointment of a receiver. On October 28, 1929, a hearing on the complaint and petition for receivership was heard before Judge Halsted L. Ritter at Miami, at which hearing the said Bert E. Holland appeared in person before said Judge Ritter and advised the judge that he wished to withdraw the suit and asked for dismissal of the bill of complaint on the ground that the bill was filed without his authority.

But the said Judge Ritter, fully advised of the facts and circumstances hereinbefore recited, wrongfully and oppressively exercised the powers of his office to carry into execution said plan and agreement theretofore arrived at, and refused to grant the request of the said Holland and made effective the champertous undertaking of the said Richardson and Rankin and appointed the said Richardson receiver of the said hotel property, notwithstanding that objection was made to Judge Ritter that said Richardson had been active in fomenting this litigation and was not a proper person to act as receiver.

On October 15, 1929, said Rankin made oath to each of the bills for intervenors which were filed the next day.

On October 16, 1929, bills for intervention in said foreclosure suit were filed by said Rankin and Metcalf in the names of holders of approximately \$5,000 of said first-mortgage bonds, which intervenors did not possess the said requisite \$50,000 in bonds required by said first mortgage to bring foreclosure proceedings on the part of the bondholders.

The said Rankin and Metcalf appeared as attorneys for complainants and intervenors, and in response to a suggestion of the said Judge Ritter, the said Metcalf withdrew as attorney for complainants and intervenors and said Judge Ritter thereupon appointed said Metcalf as attorney for the said Richardson, the receiver.

And in the further carrying out of said arrangement and understanding, the said Richardson employed the said Martin Sweeney and one Bemis, together with Ed Sweeney, as managers of said property, for which they were paid the sum of \$60,000 for the management of said hotel for the two seasons the property remained in the custody of said Richardson as receiver.

On or about the 15th of May 1930 the said Judge Ritter allowed the said Rankin an advance on his fee of \$2,500 for his services in said case.

On or about July 2, 1930, the said Judge Ritter requested Judge Alexander Akerman, also a judge of the United States District Court for the Southern District of Florida, to fix the total allowance for the said Rankin for his services in said case, said request and the reasons therefor being set forth in a letter by the said Judge Ritter, in words and figures as follows, to wit:

JULY 2, 1930.

HON. ALEXANDER AKERMAN,

United States District Judge, Tampa, Fla.

MY DEAR JUDGE: In the case of *Holland et al. v. Whitehall Building & Operating Co.* (No. 678-M-Eq.), pending in my division, my former law partner, Judge A. L. Rankin, of West Palm Beach, has filed a petition for an order allowing compensation for his services on behalf of the plaintiff.

I do not feel that I should pass, under the circumstances, upon the total allowance to be made Judge Rankin in this matter. I did issue an order, which Judge Rankin will exhibit to you, approving an advance of \$2,500 on his claim, which was approved by all attorneys.

You will appreciate my position in the matter, and I request you to pass upon the total allowance which should be made Judge Rankin in the premises as an accommodation to me. This will relieve me from any embarrassment hereafter if the question should arise as to my favoring Judge Rankin in this matter by an exorbitant allowance.

Appreciating very much your kindness in this matter, I am,
Yours sincerely,

HALSTED L. RITTER.

In compliance with said request the said Judge Akerman allowed the said Rankin \$12,500 in addition to the \$2,500 theretofore allowed by Judge Ritter, making a total of \$15,000 as the fee of the said Rankin in the said case.

But notwithstanding the said request on the part of said Ritter and the compliance by the said Judge Akerman and the reasons for the making of said request by said Judge Ritter of Judge Akerman, the said Judge Ritter, on the 24th day of December 1930, allowed the said Rankin an additional fee of \$75,000.

And on the same date when the receiver in said case paid to the said Rankin as a part of said additional fee the sum of \$25,000, said Rankin privately paid and delivered to said Judge Ritter out of the said \$25,000 the sum of \$2,500 in cash, \$2,000 of which the said Judge Ritter deposited in a bank and \$500 of which was put in a tin box and not deposited until the 10th day of July 1931, when it was deposited in a bank with an additional sum of \$600.

On or about the 6th day of April 1931, the said Rankin received as a part of the \$75,000 additional fee the sum of \$45,000, and shortly thereafter, on or before the 14th day of April 1931, the said Rankin paid and delivered to said Judge Ritter, privately and in cash, out of said \$45,000 the sum of \$2,000.

The said Judge Halsted L. Ritter corruptly and unlawfully accepted and received for his own use and benefit from the said Rankin the aforesaid sums of \$2,500 in cash and \$2,000 in cash, amounting in all to \$4,500.

Of the total allowance made to said A. L. Rankin in said foreclosure suit, amounting in all to \$90,000, the following sums were paid out by said Rankin with the knowledge and consent of said Judge Ritter, to wit, to said Walter S. Richardson, the sum of \$5,000; to said Metcalf, the sum of \$10,000; to Shutts and Bowen, also attorneys for the receiver, the sum of \$25,000; and to said Halsted L. Ritter, the sum of \$4,500.

In addition to the said sum of \$5,000 received by the said Richardson, as aforesaid, said Ritter by order in said proceedings allowed said Richardson a fee of \$30,000 for services as such receiver.

The said fees allowed by said Judge Ritter to A. L. Rankin (who had been a law partner of said judge immediately before said judge's appointment as judge) as solicitor for the plaintiff in said case were excessive and unwarranted, and said judge profited personally thereby in that out of the money so allowed said solicitor he received personally, privately, and in cash \$4,500 for his own use and benefit.

While the Whitehall Hotel was being operated in receivership under said proceeding pending in said court (and in which proceeding the receiver in charge of said hotel by appointment of said judge was allowed large compensation by said judge) the said judge stayed at said hotel from time to time without cost to himself and received free rooms, free meals, and free valet service, and, with the knowledge and consent of said judge, members of his family, including his wife, his son, Thurston Ritter, his daughter, Mrs. M. R. Walker, his secretary, Mrs. Lloyd C. Hooks, and her husband, Lloyd C. Hooks, each likewise on vari-

ous occasions stayed at said hotel without cost to themselves or to said judge, and received free rooms, and some or all of them received from said hotel free meals and free valet service; all of which expenses were borne by the said receivership to the loss and damage of the creditors whose interests were involved therein.

The said judge willfully failed and neglected to perform his duty to conserve the assets of the Whitehall Building & Operating Co. in receivership in his court, but to the contrary, permitted waste and dissipation of its assets, to the loss and damage of the creditors of said corporation, and was a party to the waste and dissipation of such assets while under the control of his said court, and personally profited thereby, in the manner and form hereinabove specifically set out.

Wherefore the said Judge Halsted L. Ritter was and is guilty of misbehavior and was and is guilty of a high crime and misdemeanor in office.

ARTICLE III

That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that after the employment of the law firm of Ritter & Rankin (which, at the time of the appointment of Halsted L. Ritter to be judge of the United States District Court for the Southern District of Florida, was composed of Halsted L. Ritter and A. L. Rankin) in the case of *Trust Co. of Georgia and Robert G. Stephens, trustees, against Brazilian Court Building Corporation and others*, no. 5704 in the Circuit Court of the Fifteenth Judicial Circuit of Florida, and after the final decree had been entered in said cause, and after the fee of \$4,000 which had been agreed upon at the outset of said employment had been fully paid to the firm of Ritter & Rankin, and after Halsted L. Ritter had on, to wit, February 15, 1929, become judge of the United States District Court for the Southern District of Florida, Judge Ritter on, to wit, March 11, 1929, wrote a letter to Charles A. Brodek, of counsel for Mulford Realty Corporation (the client which his former law firm had been representing in said litigation), stating that there had been much extra and unanticipated work in the case; that he was then a Federal judge; that his partner, A. L. Rankin, would carry through further proceedings in the case, but that he, Judge Ritter, would be consulted about the matter until the case was all closed up; and that "this matter is one among very few which I am assuming to continue my interest in until finally closed up"; and stating specifically in said letter:

"I do not know whether any appeal will be taken in the case or not; but if so, we hope to get Mr. Howard Paschal or some other person as receiver who will be amenable to our directions, and the hotel can be operated at a profit, of course, pending the appeal. We shall demand a very heavy supersedeas bond, which I doubt whether D'Esterre can give."

and further that he was "of course, primarily interested in getting some money in the case", and that he thought "\$2,000 more by way of attorneys' fees should be allowed"; and asked that he be communicated with direct about the matter, giving his post-office box number. On, to wit, March 13, 1929, said Brodek replied favorably, and on March 30, 1929, a check of Brodek, Raphael & Eisner, a law firm of New York City, representing Mulford Realty Corporation, in which Charles A. Brodek, senior member of the firm of Brodek, Raphael & Eisner, was one of the directors, was drawn, payable to the order of "Hon. Halsted L. Ritter" for \$2,000, and which was duly endorsed "Hon. Halsted L. Ritter. H. L. Ritter" and was paid on, to wit, April 4, 1929, and the proceeds thereof were received and appropriated by Judge Ritter to his own individual use and benefit, without advising his said former partner that said \$2,000 had been received, without consulting with his said former partner thereabout, and without the knowledge or consent of his said former partner, appropriated the entire amount thus solicited and received to the use and benefit of himself, the said Judge Ritter.

At the time said letter was written by Judge Ritter and said \$2,000 received by him, Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court, of which Judge Ritter was a judge from February 15, 1929.

Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

Wherefore, the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

ARTICLE IV

That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commis-

sioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

The said Judge Ritter by his actions and conduct, as an individual and as such judge, has brought his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice in his said court, and to the prejudice of public respect for and confidence in the Federal judiciary:

1. In that in the Florida Power Co. case (Florida Power & Light Co. against City of Miami and others, No. 1183-M-Eq.), which was a case wherein said judge had granted the complainant power company a temporary injunction restraining the enforcement of an ordinance of the city of Miami, which ordinance prescribed a reduction in the rates for electric current being charged in said city, said judge improperly appointed one Cary T. Hutchinson, who had long been associated with and employed by power and utility interests, special master in chancery in said suit, and refused to revoke his order so appointing said Hutchinson. Thereafter, when criticism of such action had become current in the city of Miami, and within 2 weeks after a resolution (H. Res. 163, 73d Cong.) had been agreed to in the House of Representatives of the Congress of the United States authorizing and directing the Judiciary Committee thereof to investigate the official conduct of said judge and to make a report concerning said conduct to said House of Representatives, an arrangement was entered into with the city commissioners of the city of Miami or with the city attorney of said city by which the said city commissioners were to pass a resolution expressing faith and confidence in the integrity of said judge, and the said judge recuse himself as judge in said power suit. The said agreement was carried out by the parties thereto, and said judge, after the passage of such resolution, recused himself from sitting as judge in said power suit, thereby bartering his judicial authority in said case for a vote of confidence. Nevertheless, the succeeding judge allowed said Hutchinson as special master in chancery in said case a fee of \$5,000, although he performed little, if any, service as such, and in the order making such allowance recited: "And it appearing to the court that a minimum fee of \$5,000 was approved by the court for the said Cary T. Hutchinson, special master in this cause."

2. In that in the Trust Co. of Florida cases (Illick against Trust Co. of Florida et al., no. 1043-M-Eq., and Edmunds Committee et al. against Marion Mortgage Co. et al., no. 1124-M-Eq.) after the State banking department of Florida, through its comptroller, Honorable Ernest Amos, had closed the doors of the Trust Co. of Florida and appointed J. H. Therrell liquidator for said trust company, and had intervened in the said Illick case, said Judge Ritter wrongfully and erroneously refused to recognize the right of said State authority to administer the affairs of the said trust company, and appointed Julian S. Eaton and Clark D. Stearns as receivers of the property of said trust company. On appeal, the United States Circuit Court of Appeals for the Fifth Circuit reversed the said order or decree of Judge Ritter, and ordered the said property surrendered to the State liquidator. Thereafter, on, to wit, September 12, 1932, there was filed in the United States District Court for the Southern District of Florida the Edmunds Committee case, supra. Marion Mortgage Co. was a subsidiary of the Trust Co. of Florida, Judge Ritter being absent from his district at the time of the filing of said case, an application for the appointment of receivers therein was presented to another judge of said district, namely, Honorable Alexander Akerman. Judge Ritter, however, prior to the appointment of such receivers, telegraphed Judge Akerman, requesting him to appoint the aforesaid Eaton and Stearns as receivers in said case, which appointments were made by Judge Akerman. Thereafter the United States Circuit Court of Appeals for the Fifth Circuit reversed the order of Judge Akerman, appointing said Eaton and Stearns as receivers in said case. In November 1932 J. H. Therrell, as liquidator, filed a bill of complaint in the Circuit Court of Dade County, Fla.—a court of the State of Florida—alleging that the various trust properties of the Trust Co. of Florida were burdensome to the liquidator to keep, and asking that the court appoint a succeeding trustee. Upon petition for removal of said cause from said State court into the United States District Court for the Southern District of Florida, Judge Ritter took jurisdiction, notwithstanding the previous rulings of the United States Circuit Court of Appeals above referred to, and again appointed the said Eaton and Stearns as the receivers of the said trust properties. In December 1932 the said Therrell surrendered all of the trust properties to said Eaton and Stearns as receivers, together with all records of the Trust Co. of Florida pertaining thereto. During the time said Eaton and Stearns, as such receivers, were in control of said trust properties, Judge Ritter wrongfully and improperly approved their accounts without notice or opportunity for objection thereto to be heard. With the knowledge of Judge Ritter, said receivers appointed the sister-in-law of Judge Ritter, namely, Mrs. G. M. Wickard, who had had no previous hotel-management experience, to be manager of the Julia Tuttle Hotel and Apartment Building, one of said trust properties. On, to wit, January 1, 1933, Honorable J. M. Lee succeeded Honorable Ernest Amos as comptroller of the State of Florida and appointed M. A. Smith liquidator in said Trust Co. of Florida cases to succeed J. H. Therrell. An appeal was again taken to the United States Circuit Court of Appeals for the Fifth Circuit from the then latest order or decree of Judge Ritter, and again the order or decree of Judge Ritter appealed from was reversed by the said circuit court of appeals,

which held that Judge Ritter, or the court in which he presided, had been without jurisdiction in the matter of the appointment of said Eaton and Stearns as receivers. Thereafter, and with the knowledge of the decision of the said circuit court of appeals, Judge Ritter wrongfully and improperly allowed said Eaton and Stearns and their attorneys some \$26,000 as fees out of said trust-estate properties, and endeavored to require, as a condition precedent to releasing said trust properties from the control of his court, a promise from counsel for the said State liquidator not to appeal from his order allowing the said fees to said Eaton and Stearns and their attorneys.

3. In that the said Halsted L. Ritter, while such Federal judge, accepted, in addition to \$4,500 from his former law partner as alleged in article I hereof, other large fees or gratuities, to wit, \$7,500 from J. R. Francis, on or about April 19, 1929, J. R. Francis at this said time having large property interests within the territorial jurisdiction of the court of which Judge Ritter was a judge. On, to wit, the 4th day of April 1929 the said Judge Ritter accepted the sum of \$2,000 from said Brodek, Raphael & Elsner, representing Mulford Realty Corporation, through his attorney, Charles A. Brodek, as a fee or gratuity, at which time the said Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States District Court of which Judge Ritter was a judge from February 15, 1929.

4. By his conduct as detailed in articles I and II hereof. Wherefore, the said Judge Halsted L. Ritter was and is guilty of misbehavior, and was and is guilty of high crimes and misdemeanors in office.

Attest:

JOSEPH W. BYRNS,
Speaker of the House of Representatives.
SOUTH TRIMBLE,
Clerk.

Mr. Manager SUMNERS. Mr. President, the House of Representatives, by protestation, saving themselves the liberty of exhibiting at any time hereafter any further articles of accusation or impeachment against the said Halsted L. Ritter, district judge of the United States for the southern district of Florida, and also of replying to his answers which he shall make unto the articles preferred against him, and of offering proof to the same and every part thereof, and to all and every other article of accusation or impeachment which shall be exhibited by them as the case shall require, do demand that the said Halsted L. Ritter may be put to answer the misdemeanors in office which have been charged against him in the articles which have been exhibited to the Senate, and that such proceedings, examinations, trials, and judgments may be thereupon had and given as may be agreeable to law and justice.

Mr. President, the managers on the part of the House of Representatives, in pursuance of the action of the House of Representatives by the adoption of the articles of impeachment which have just been read to the Senate, do now demand that the Senate take order for the appearance of the said Halsted L. Ritter to answer said impeachment, and do now demand his impeachment, conviction, and removal from office.

The VICE PRESIDENT. The Senate will take proper order and notify the House of Representatives.

Mr. ASHURST. Mr. President, I move that the senior Senator from Idaho [Mr. BORAH], who is the senior Senator in point of service in the Senate, be now designated by the Senate to administer the oath to the Presiding Officer of the Court of Impeachment.

The motion was agreed to; and Mr. BORAH advanced to the Vice President's desk and administered the oath to Vice President Garner as Presiding Officer, as follows:

You do solemnly swear that in all things appertaining to the trial of the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida, now pending, you will do impartial justice according to the Constitution and laws. So help you God.

Mr. ASHURST. Mr. President, at this time the oath should be administered to all the Senators, but I should make the observation that if any Senator desires to be excused from this service, now is the appropriate time to make known such desire. If there be no Senator who desires to be excused, I move that the Presiding Officer administer the oath to the Senators, so that they may form a Court of Impeachment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. Senators will now be sworn.

Thereupon the Vice President administered the oath to the Senators present, as follows:

You do each solemnly swear that in all things appertaining to the trial of the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida, now pending, you will do impartial justice according to the Constitution and laws. So help you God.

The VICE PRESIDENT. The Sergeant at Arms will now make proclamation that the Senate is sitting as a Court of Impeachment.

The SERGEANT AT ARMS. Hear ye! Hear ye! Hear ye! All persons are commanded to keep silence on pain of imprisonment while the Senate of the United States is sitting for the trial of the articles of impeachment exhibited by the House of Representatives against Halsted L. Ritter, United States district judge for the southern district of Florida.

Mr. ASHURST. Mr. President, I send to the desk an order, which I ask to have read and agreed to.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk (John C. Crockett) read as follows:

Ordered, That the Secretary notify the House of Representatives that the Senate is now organized for the trial of articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida.

The VICE PRESIDENT. Without objection, the order will be entered.

Mr. ASHURST. Mr. President, I send another proposed order to the desk, and ask for its adoption.

The VICE PRESIDENT. The clerk will read the proposed order.

The Chief Clerk read as follows:

Ordered, That the articles of impeachment presented against Halsted L. Ritter, United States district judge for the southern district of Florida, be printed for the use of the Senate.

The VICE PRESIDENT. Without objection, the order will be entered.

Mr. ASHURST. Mr. President, I send a further order to the desk, and ask for its adoption.

The VICE PRESIDENT. The clerk will read the proposed order.

The Chief Clerk read as follows:

Ordered, That a summons to the accused be issued as required by the rules of procedure and practice in the Senate, when sitting for the trial of the impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida, returnable on Thursday, the 12th day of March 1936, at 1 o'clock in the afternoon.

The VICE PRESIDENT. Is there objection? Without objection, the order will be entered.

Mr. McNARY. Mr. President, permit me to make an inquiry.

The VICE PRESIDENT. The Senator will make it.

Mr. McNARY. What record is being made of the Senators who have taken their oaths as jurors?

The VICE PRESIDENT. No record has been made so far as the Chair knows; but the Chair assumes that any Senator who was not in the Senate Chamber at the time the oath was administered to Senators en bloc will make the fact known to the Chair, so that he may take the oath at some future time.

Mr. ASHURST. The Chair is correct in his statement in that any Senator who was not present when the oath was taken en bloc, and who desires to take the oath, may do so at any time before the admission of evidence begins.

Mr. McNARY subsequently said: Mr. President, I am advised that the able Senator from New Jersey [Mr. BARBOUR] will be absent from the city on next Thursday, and would like to be sworn at this time.

The VICE PRESIDENT. The Senator from Oregon asks unanimous consent that the Senator from New Jersey may take the oath at this time as a juror in the impeachment trial of Halsted L. Ritter.

Mr. SMITH. Mr. President, in order to save time, I ask the same privilege. I was absent when Senators were sworn as jurors en bloc.

The VICE PRESIDENT. If there are any other Senators in the Senate Chamber at the moment who did not take their oaths as jurors when Senators were sworn en bloc, it would be advisable that they make it known; and, if agreeable to the Senate, they may all be sworn as jurors at one time.

Mr. ASHURST. The Senator from Texas [Mr. SHEPPARD], who was not present when other Senators were sworn, is now present, and wishes to be sworn.

The VICE PRESIDENT. Is there objection to such action being taken at this time? The Chair hears none. Such Senators as are in the Chamber at this time who were not present when Senators were sworn en bloc as jurors will raise their right hands and be sworn.

Mr. BARBOUR, Mr. OVERTON, Mr. SHEPPARD, Mr. SMITH, and Mr. TOWNSEND rose, and the oath was administered to them by the Vice President.

Mr. ASHURST. Mr. President, I move that the Senate, sitting as a Court of Impeachment, adjourn until Thursday next at 1 p. m.

The motion was agreed to; and (at 1 o'clock and 50 minutes p. m.) the Senate, sitting as a Court of Impeachment, adjourned until Thursday, March 12, 1936, at 1 p. m.

IMPEACHMENT OF HALSTED L. RITTER—EXPENSES OF TRIAL

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 244, providing for defraying the expenses of the impeachment proceedings relative to Halsted L. Ritter. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read Senate Resolution 244, submitted by Mr. ASHURST on the 9th instant, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That not to exceed \$5,000 is authorized to be expended from the appropriation for miscellaneous items, contingent expenses of the Senate, to defray the expenses of the Senate in the impeachment trial of Halsted L. Ritter.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. BAILEY. Mr. President, when the interruption occurred I was drawing to my conclusion, and had mentioned the fact that when the bill first came upon the floor of the Senate for discussion the point was made that manifestly the effect of the bill, if passed, would be to transfer from one character of ships to another a very considerable portion of the toll charges. There was a dispute about that. Some of us had argued that there will be an unjust discrimination in favor of the oil tankers upon the passage of the bill as reported. This argument was resisted with considerable force and some indignation; but when the bill was recommended, the committee itself recognized the force of the argument, and the new bill recognizes that those of us who opposed it were right, and now the bill carries 10 cents a ton additional for the oil tankers.

Senators, hear me! How was that charge arrived at? Wherein is that right? Should it be 5 cents? Should it be 10 cents? Should it be 30 cents? We do not know. Just the arbitrary figure of 10 cents is drawn in by way of trying to meet a serious argument.

The fact of the matter, Mr. President, is that it is recognized that there will be a tremendous shifting of the burden of the tolls upon the enactment of the proposed legislation. Upon whom, or upon what type of vessel, will that burden fall? Who knows? The minority report says one thing. The majority says another. But who speaks with authority here on that subject? So there is one other ground for investigation. I should like to know.

I raise this question very seriously. What will be the effect of the passage of the pending bill upon the coastwise merchantmen of our country? I do not think it will be denied that it will very greatly increase the tolls to be paid by them. I do not think anyone will contend that that will not be its effect.

What is the condition of the coastwise merchantman running in and out of the ports of the United States? I am informed that it is bad, but I do not know; and if anyone in the Senate knows, I should like to be told.

What is going to be the ultimate effect of the enactment of the bill upon the merchant marine of the United States, and, therefore, upon our national defense? Nobody knows. Nobody can tell us. Yet it is said we should enact the bill upon a vague assurance from some department that an investigation will be had and the facts found. Why should we not know before we take the step? That is the issue in this whole matter.

Mr. President, I have undertaken to cover the matter thoroughly. I have only one interest in the matter, and that is the national interest. I have only one desire in putting forward my substitute, and that is that before committing my country to a certain course concerning its Canal I shall be informed as to what I am doing.

Mr. KING. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. KING. I understood during the discussion—and I was not privileged to hear all of it, having been compelled to attend committee meetings—that investigations had been made, and that full and complete data were available as to the results which would follow the charges provided for in the pending bill. Is there any foundation for that view?

Mr. BAILEY. I think I may say to the Senator from Utah that the junior Senator from Oklahoma [Mr. GORE] produced here the other day what he called a tome containing the report of an investigation made 22 years ago, and then a little book containing the report of an investigation made since. I am saying, however, that nobody is prepared to tell us what will be the effect upon the coastwise shipping of American ships by reason of the change of the rules of measurement from the United States rules plus the Panama rules to the Panama rules exclusively. Nobody knows what that effect will be. Nobody knows what the effect will be upon the freight rates in the United States or what will be the effect upon the transcontinental roads. I do not know.

Mr. KING. Mr. President, will the Senator yield further?

Mr. BAILEY. I yield.

Mr. KING. During the Senator's very able argument a while ago he propounded a question, stating, in the form of an interrogation, that no one knew just what the effect would be upon the transcontinental freight rates in the event the pending bill should be passed.

I may say that a railroad man approached me, perhaps 2 years ago, stating that if the tolls through the Panama Canal were changed the result would be beneficial to the railroads; and he was very desirous of having this whole subject placed under the control of the Interstate Commerce Commission, so that it might fix the tolls and the rates through the Canal in order to benefit the railroads. I was wondering just what effect there would be upon the transcontinental freight rates—the rates, for instance, from interior points to the coast, or coast-to-coast rates—if the pending bill should become law.

Mr. BAILEY. That is just my point, Mr. President. I do not know. Very probably the railroad man who spoke to the Senator did not know. I hope I do not reflect upon the Senate when I say that the Senate itself does not know, because it has no information whatever on the subject.

It is my judgment that the passage of my substitute and the creation of the commission will inure vastly to the benefit of this country.

I want the whole subject reconsidered. I am not for any special plan. I should like to see considered the subject of giving our coastwise shipping an advantage over foreign ships. Great Britain has practically informed us that she would not protest against that. I think that would be one way to build up the merchant marine, one way to serve the American people from port to port. But I am not committing myself to that. I wish to know. But every means is brought to bear upon us to induce us to vote for this change in the rules of measurement and therefore in the tolls, this

shifting of the burden, without telling us what the consequences will be.

Mr. SMITH. Mr. President—

Mr. BAILEY. I yield to the Senator from South Carolina.

Mr. SMITH. This matter, of course, was gone into very fully during the Wilson administration, and the very points the Senator is now arguing were then argued. However, I wanted to ask him, Is not our coastwise shipping an integral part of domestic transportation system, and on what ground of international relations could any foreign government undertake to dictate to us concerning any part of our domestic system of transportation?

We are now developing a commercial airplane which will take its place in our system. Surely we are not going to allow a foreign government to interfere in case some of our airplanes might cross the ocean.

Mr. BAILEY. Except on only one principle, Mr. President, the principle stated by the late Will Rogers—that whenever the United States sits around a table with the other nations it gets up with its pockets picked.

Mr. SMITH. That is correct.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BAILEY. I am going to conclude in a moment.

Mr. BONE. I wish to ask the Senator a question.

Mr. BAILEY. Very well.

Mr. BONE. I wonder if the Senator has ever seen or the committee that has had this bill in charge has ever had before it a break-down of the figures or any comparative table showing the relationship of rates on shipping lines between intercoastal ports and the transcontinental rail lines? For instance, if we are going to ship lumber or cotton or any stable commodity, whether there are available any tables showing the relative charge on a rail haul from coast to coast contrasted with the charge by water through the Canal from coast to coast?

Mr. BAILEY. I think not. I have the report here.

Mr. BONE. That would be very enlightening for us.

Mr. BAILEY. Here is the report of the hearings, and certainly I have the two majority reports and one minority report.

Mr. BONE. The reason I ask, if I may intrude again, is that I have heard it stated here on the floor—and if I am in error I know the Senator will correct me, although it may have been merely the conclusion of the speaker—that the added cost for the transportation of a bale of cotton would be one-half cent and perhaps a mill for a sack of potatoes. I understand a bale of cotton contains about 500 pounds. That would be one-thousandth of 1 cent a pound on cotton. I thought of the old Latin legal maxim, "De minimis non curat lex." Certainly an added cost of one-thousandth of a cent a pound could hardly be a factor in transportation, if there is a very great gap between the cost of transporting materials from coast to coast by water as against such transportation by rail. I know the rail transportation is much higher. That is why I asked whether or not this additional cost, if it is to be imposed or might be imposed under the bill, would be a real factor in a competitive way between rail and water carriers.

Mr. BAILEY. I cannot answer the Senator's question, and no one else can. That is my point. No one knows. The junior Senator from Oklahoma says that the effect of the bill would be to increase freight rates on cotton one-half cent a bale. How does he know? Just listen to his own report:

A detailed study of the rules and all other factors pertaining to toll rates will be made.

He does not know and no one else knows what that study will bring out. I am asking for the facts before I vote, and I think it is a reasonable request. I repudiate the suggestion that I am trying to bring about a delay. My amendment by way of a substitute cannot delay this matter 30 days more than would the pending bill delay it. Meanwhile we will have the facts.

Now I wish to develop a thought. This is what strikes me most about it: This is our Canal, and I want it to be run as our Canal. I want it to be run primarily in the interest of the United States of America in matters of national defense and in the interest of the American people in the matter of transportation. I am willing to recognize the treaty with Great Britain; but I believe a reconsideration of this matter will bring lower rates to our coastwise shipping than are enjoyed by the international ocean lines or that are enjoyed by Japanese ships or British ships. I should like to see the whole subject reconsidered. Then I wish to know just what the consequences will be.

Mr. President, I have no purpose of defeating good legislation; I very deeply regret the necessity imposed upon me by my study of this subject of opposing the report of the committee; such things are not agreeable to me; but I have a duty to perform, and I have discharged it, I think, so far as I can. I am merely asking that the Senate of the United States before taking this step, and abandoning the system which has operated pretty well for 22 years, shall provide the means whereby it may be informed of the consequences of its action. The proposition in the bill is to act before knowing; my proposition is to know before acting. That is the issue in this case; and I rest my case there. I am ready to vote.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY] for the amendment reported by the committee.

Mr. BAILEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Davis	Logan	Russell
Bailey	Dickinson	Loneragan	Schwelmbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahey	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Stelwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Holt	Overton	Wheeler
Connally	Johnson	Pittman	White
Coolidge	Keyes	Pope	

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

PRINCIPLES AND PURPOSES OF WORKS PROGRESS ADMINISTRATION

Mr. ROBINSON. Mr. President, from time to time there has been discussion of the Works Progress Administration. I think that discussion has disclosed at least on some occasions a lack of understanding of the primary principles and purposes of that form of unemployment relief. In my remarks today the purpose is to point out the circumstances which make necessary the program comprehended by the Works Progress Administration, the manner in which that program has been formulated, and the errors and criticisms which have come to my attention as having been made by the Liberty League and the Republican National Committee. The subject is very comprehensive, and no attempt will be made to exhaust it.

There has been much discussion of Works Progress projects, and some discussion of the manner in which they have been carried on. Critics of high social and business standing have maintained that many of the projects are unnecessary and of little value, and that a large portion of the funds allotted to Works Progress projects is being wasted. The primary responsibility for the selection of the projects erroneously has been cast by the critics on Federal authorities.

The theory underlying the system of unemployment aid embraced in the Works Progress Administration is unavoidable-

ably affected with limitations as to time and location of projects and skill or lack of skill of workers.

Stated in another way, and perhaps more clearly, work must be found for the unemployed in the vicinity of their residence, since it is impracticable to concentrate large groups of unskilled workers where projects universally admitted to be of value may be located.

In selecting projects, the Federal authorities have relied on local agencies in the communities where the unemployed are found.

For instance, in a southern city a few months ago there were approximately 4,000 persons in need of work. Unless they could be given employment, the continuance of some form of dole seemed imperative. Indeed, all of them were on emergency relief. They belonged to the 3,500,000 to be transferred from relief to subsistence wages under the \$4,800,000,000 Emergency Works Relief appropriation of 1935.

Of the 4,000 mentioned, only 170 could be classified as skilled workers, or helpers of skilled workers. The remainder had no experience whatever in construction of any form. A large number of them belonged to the "white collar" group. It, therefore, became necessary for the city authorities to create 76 local Works Progress projects, and this was done so that practically the entire number were given opportunity to earn a livelihood for themselves and their dependents. The projects created were, of course, different from those which would have been adopted for skilled workers. If the persons who were to be given the employment had received the experience or training that would have enabled them to perform tasks requiring some degree of skill, quite naturally the effort would have been to devise projects that would have conformed to their training. But because of their inability to do construction work and perform related forms of service, it was necessary to work out such projects as the persons to be employed could effectively engage in.

The projects referred to included the construction of waterworks, sewer systems, the paving of streets and highways, the improvement of public parks, the erection of school buildings, and the beautifying of playgrounds.

They also included a large number of projects ordinarily considered of lesser magnitude and importance. All of them were advantageous to the community and were sponsored by the city authorities.

It is by no means an easy or simple task to find work for large numbers of unskilled laborers in the communities in which they reside—that is, work suitable to their training and capacity.

Overlooking these controlling facts by many uninformed individuals has resulted in criticism not justified by the circumstances which fairness requires shall be taken into consideration. It has resulted in criticisms which would not be made if the primary or fundamental necessity underlying the work I have attempted to describe were fully comprehended.

The purpose of these remarks is to supply information, accurate and reliable, to those who are willing to know the truth. It is hardly to be expected that they who designedly misrepresent will correct the false or misleading statements which they may have made, although anyone should be ready to correct error when it becomes known to him.

It is opportune to speak at this time of the record now being made by the Roosevelt administration in handling one of the most difficult tasks facing this country, or any other country, in modern times. I refer to the administration of the \$4,880,000,000 work-relief fund voted by Congress to provide work for the unemployed.

The scope of the work involved is of such magnitude that it seems almost unbelievable that it could be handled so well as it is being handled by the officials placed in charge by the President of the United States. We all know the appalling conditions that make such a program necessary, the bread lines and the soup kitchens, the hunger, the misery, and the poverty of millions of good American citizens who, through no fault of their own, found themselves unable to earn a living in private employment.

The work-relief program is now in operation on a major scale. It is preventing a vast amount of suffering among unfortunate people, and in addition, the money is being spent in such a way that it will confer benefits for generations to come. Roads, schools, and public buildings are being constructed; necessary repairs are being made to other buildings; and perhaps for the first time in our history a national effort is being made for the elimination of disease spots and pest holes and germ-carrying animals and insects. What the Works Progress Administration is doing will improve public health, both in the urban and rural areas, and it will result in a healthier and happier generation to come after us. Such a program was necessary because the depression, with its poverty and misery, proved a heavy strain upon the morale and the physical well-being of perhaps one-third of our population.

We recall that a few years ago, because something had to be done without delay, the Civil Works Administration was organized, and for the first time a program of providing employment on a broad scale was placed in operation. The organization was put together rapidly, and in most cases there was insufficient time to plan the best type of project to be undertaken. But the people generally recognized the unfavorable conditions under which it was started, and they cooperated wholeheartedly. The fact that something was at last being done proved a fine tonic for the national spirit, and the program won pretty general approbation. Now the statistics prepared by health authorities disclose that in 1934 the death rate from typhoid fever dropped to the lowest point on record; and it is generally agreed that this notable achievement was due, in part at least, to the sanitation work carried on by C. W. A. in rural areas.

Senators on both sides will agree that if there is one issue concerning which we should be as nonpartisan as possible, it is this business of providing a living and providing employment for the large army of the unemployed who are still unable to find places in private life. Notwithstanding statements to the contrary, the result of my investigation shows that the authorities of the Roosevelt administration, under express instructions from the President, have consistently and persistently tried to keep politics out of relief, and I think, after inquiry, every fair-minded man will acknowledge that fact.

I do not mean to say that others have not sought to inject politics into the subject—quite the contrary—but I know of no method by which the Administration could prevent them from doing so.

No matter what may be said on that phase of the subject about Mr. Hopkins, the Administrator, the record speaks for itself. He has cooperated with State and local officials, regardless of party, and he has done everything in his power to keep politics and inefficiency out of the work-relief program.

I suppose it would be too much to expect that this fine spirit of nonpartisanship might be observed by everyone, in view of the fact that a national election is approaching, and the gentlemen in control of the opposition party are casting about wildly for any kind of argument which they can build up and get the people to believe is an "issue." That is quite natural. Our opponents have tried all kinds of fake issues, only to find the public cannot be fooled any longer. They screamed about socialism and communism, and the people responded, "That's nonsense." They tried to shake confidence in the credit of the Federal Government, and got badly spanked for doing it; and just when they were in the middle of their confidence-shaking campaign the banks and business leaders gave concrete evidence that they think Uncle Sam's credit is the best in the world; so that false issue had to be abandoned. But now they have a new talking point which they hope to build up into a big national issue. They are unleashing a terrific national campaign against what they call "waste and inefficiency" in the work-relief fund.

There is no objection, there can be no objection, to honest, fair-minded criticism based on facts, but objection is not justified when the criticism is rested on the misrepresenta-

tion or misunderstanding of facts. Those who are seeking to make this a national issue have discovered a word pronounced "boondoggling." By distorting its meaning they hope to perform a feat of political magic and by constant repetition of the word to distract the attention of the American people from the real picture of the Works Progress Administration.

The National Republican Congressional Committee, in one of its momentous press releases—and the one to which I now refer is not one of those which had to be recalled—gave the following definition:

"Boondoggling" is a comparatively new word on the American tongue. It is "frankly destructive"—Roosevelt's pet way of wasting money. It turns the so-called New Deal into an ordeal.

Note the subtle humor of this great Republican humorist. I continue the quotation:

"Boondoggle" means gadget. In that respect, it is synonymous with the New Deal. It was born of it. It may well die with it; in fact, its demise is certain. Sheer waste is killing it.

When the foregoing statement was called to my attention I asked those in a position to know, for the facts about the word "boondoggle", and how it originated. The word "boondoggle" means a useful work, and it had its origin in the name of that sturdy American woodsman, Daniel Boone, who certainly knew as much about practical, useful things as the advertising writers now employed by the Republican National Committee and the miscalled American Liberty League.

In their efforts to discredit the Roosevelt administration with the American people the Republican National Committee and the Liberty League are now engaged in a desperate effort to throw mud on the relief program by holding up certain projects to ridicule. These two organizations together have singled out 100 projects from a total of more than 170,000 approved by the Works Progress Administration throughout the 48 States. These critics have singled out just one-seventeenth of 1 percent of relief projects for their target. They cited these particular projects and flaunted them before the country as examples of the way in which the taxpayers' money is being "wasted and squandered" by the Roosevelt administration.

Both the Republican committee and the Liberty League were careful to describe each of these projects in short sentences, in the very worst light possible. On first reading, these reports would disturb anyone not in possession of the actual facts. I saw these reports, and, as a Member of Congress who voted the funds, decided it was time to investigate. I went to the Works Progress Administration and asked, first, for a report on projects approved and under way in my own State of Arkansas, and, second, a detailed report with facts on these projects which were being ridiculed as wasteful by the Republican National Committee and the Liberty League.

Before me here is a report from the Works Progress Administration regarding the projects under criticism. In some cases the information has not come in from the field, but in most cases the project is described in detailed fashion, and alongside is the statement of the Republican National Committee or the Liberty League. More than that, we find in virtually every case a statement by local officials asserting that they sponsored these projects and why they will prove of lasting benefit to their communities.

On the basis of this factual report from the Works Progress Administration, I now charge the Republican National Committee and the miscalled Liberty League with "playing politics with human misery" and with attempting to make a political football out of the unfortunate unemployed in this country. They aim at President Roosevelt, but in reality they hope to ridicule and drive back into the soup lines the great number of unemployed men and women who are simply asking an opportunity to earn a living for themselves and their families in the old-fashioned and respectable American way.

These Republican spokesmen and Liberty Leaguers go about the country crying over what they call the break-down of local responsibility and local self-government. As a mat-

ter of fact, this report shows that every project undertaken by the Works Progress Administration was first sponsored by local authorities. Let me add at this point that local officials, regardless of party, have been very frank and fair in assuming responsibility for the origin of work-relief projects, and, more than that, they are proud to do so. It is my purpose to read some of these letters for the edification of the senior Senator from Delaware [Mr. HASTINGS] and others who seem so greatly disturbed over the relief program.

It has been a custom in Mohammedan countries from time immemorial to make sure that no man or woman goes hungry. But when the Roosevelt administration first put that policy into effect in this country, we were solemnly warned that it was socialistic and communistic. I cannot understand why some people persist in giving all the credit for humane government to the Socialists and Communists. It was always my belief that the relief policy squared with wholesome American principles, and with the traditional policies of the Democratic Party.

I am not going to burden the Senate by reading all of these reports in detail, but it is my intention to read some of them in order to give Senators an idea of the work being done by the Works Progress Administration, and, at the same time, to give them an appraisal of the kind of criticism being directed against that organization.

It is my intention to place additional material in the RECORD. To my mind there is no more important issue before the country than this perplexing problem of unemployment, and the methods now being used by the administration to assist these people, while at the same time benefiting the country.

Let me say at this point that there is no disposition to hide anything, or to conceal anything from the public. On the contrary, the administration has taken care to gather all the available facts, and to have them handy and ready for any person or any group desiring them. About a week ago, the noted thinkers who control the destiny of the Republican Party issued a statement to the newspapers, in which, to use their own language, they laid some "astonishing facts" before the country. The Republican National Committee very gravely charged President Roosevelt with not spending relief money fast enough!

I recall that the Senator from Texas [Mr. CONNALLY] had something to say about that, and it resulted in a correction by the committee, a virtual admission of the mistake or falsity involved in the declaration. They accused the President of violating the law because the money will not all be gone by June 30, hinted that the administration was holding up the money in order to put a lot of folks to work just before election, and then added the further charge that Mr. Roosevelt's report to Congress on the relief program was being suppressed and held under lock and key.

Well, of course, that was nonsense, and most of the newspapers would not even bother to print it. In a local newspaper, the Washington News, a reporter wrote a story pointing out that the statement was all wrong, and adding that he personally had read the report in the office of the National Emergency Council 3 weeks before the Republican statement appeared. In other words, that newspaper reporter wanted facts, and he got them. Describing how Mr. Francis Brown, of the Emergency Council, gave him the President's report, this reporter said:

Mr. Brown led me into a quiet office and supplied me with paper. Then he laid before me a copy of the President's report to Congress on expenditures under the Relief Act of 1935.

The President's relief report is a comprehensively prepared volume, complete with charts. It takes up a good many pages printed on one side. Every cent spent or obligated from the \$4,880,000,000 appropriated by Congress is accounted for in table after table. Expenditures of every agency are listed in detail.

I worked for more than an hour with the report, collecting the data I wanted. Nobody bothered me. When I was through, I gave the President's report back to Mr. Brown with thanks.

When news correspondents asked the ad writers of the Republican National Committee about these misstatements they confessed themselves in error. But I have seen no statement as yet in which the committee has been fair enough to retract this effort to falsify the record against

the President. The thing was so disturbing that even the friends of the committee got alarmed and lifted a finger in warning. I am now going to quote in part an editorial from a Washington newspaper:

The Republican National Committee was doubly ill-advised in its criticism of President Roosevelt and his "spending master general" for being able to spend "only one-third" of the work-relief appropriation up to the end of last calendar year. The implication was that much of the fund is being held back for campaign effect.

In the first place, as G. O. P. headquarters later admitted, the fact is that this appropriation, under the terms of the act, is "to remain available until June 30, 1937." Since one-third of the money was spent in one-fourth of the allotted period, the rate has been actually ahead of the schedule set by Congress. Furthermore, the President indicated yesterday that by the end of this year all the present work-relief fund will be obligated.

Our Republican friends are always talking about Abraham Lincoln and quoting his wise sayings to justify their own policies. It is far wiser for them to quote Mr. Lincoln than it is to quote some of their contemporary party leaders. I am going to give them a quotation now from Mr. Lincoln and I trust their ad writers will place it on the wall in a conspicuous place so they will not go so far wrong on other things as they have on work relief. The quotation is:

You can fool some of the people all of the time and you can fool all of the people some of the time, but you can't fool all of the people all of the time.

I desire to return now to these "boondoggling" projects which have been made the target of ridicule by the humorists employed by the Republican National Committee and its corporate affiliate, the DuPont Liberty League. Some of them are so witty and clever they must have been written personally by Mr. Jouett Shouse, the \$50,000-a-year front man of the Liberty League, who spends his time telling the President and Congress how to run the country. I predict he will win the title of the "great American humorist" on the basis of these witty reports about the poor fellows on relief projects.

First, take the now-famous \$25,000 dog pound in Memphis, Tenn., which so exercised my good friend the Senator from Delaware [Mr. HASTINGS] that he took the time to hold it up before the Senate as a classic example of the way the taxpayers' money is being squandered. He quoted a Republican Member of the House of Representatives as saying:

I saw some days ago in the New York Sun a reproduction of the architect's sketch of this dog house, and I certainly wish I could live in as handsome a building as the Memphis dogs will occupy. The dogs will have individual pens with fresh bedding every day, exercise runways, shower baths, and every imaginable comfort of home.

The Senator from Delaware and the Member of the House of Representatives who wanted to live in the dog house and the Republican National Committee all made the same mistake of failing to look up the facts. They sent their ridicule of this project all over the country. The story reached Memphis, and the people were aroused. Mayor Overton sent a telegram to one newspaper which printed the story, and he gave the correct version. The dog pound will cost \$19,000, of which \$6,000 will be contributed locally. It is giving employment to a number of men and it happens to be just about the best project that a human being could conceive for the city of Memphis.

For the past several years Memphis has been scourged with recurrent cases of mad dogs. I do not have to dwell on the terror which that particular disease causes to the anxious mothers and fathers of that city. The United States Public Health Service has been concerned about conditions in Memphis. In his telegram Mayor Overton pointed out that in the last 3 years alone the city health service has given 827 Pasteur treatments, mostly to children, who had been bitten by mad dogs. Mayor Overton pointed out that the city health service reported 1,500 people bitten by dogs in that period, that 362 of the dogs involved were definitely established to have been rabid, and that at least six persons suffered horrible deaths from rabies. Can one imagine the haunting fear of the people of Memphis over such conditions? Can one imagine any better way to expend Federal funds?

I am going to put Mayor Overton's telegram into the record so that those interested may read it and learn the truth about a project which is being held up as an object of mirth and merriment by these great wits of the Republican Party and the Liberty League.

Let us pass on now to a project which has been held up to ridicule by the Republican National Committee. In one of its outpourings the committee said:

The little things do not escape the New Dealers in their ridiculous expenditures. W. P. A., with the aid of President Roosevelt, allocated \$1,349 to paint the fire hydrants in Wilmington, Del.

For the sake of keeping the record clear, I am going to adopt the language of a newspaper correspondent who, paraphrasing a famous expression, described Wilmington as "the city where the Raskobs speak only to Du Ponts and the Du Ponts speak only to God." The Republican committee was quite right in saying the W. P. A. had supplied funds to paint fire hydrants. That project was proposed by the administration of Mayor Walter W. Bacon, a Republican, and by the president of the board of water commissioners, Mr. Crichton, another Republican. Here is what Mayor Bacon said:

You will note that these fire hydrants were painted in 1927 and again in 1931, and I simply want to call your attention to the fact that, under our ordinary procedure, they would have been painted in 1935. However, on account of the necessary expenditures made by former administrations for relief, our funds allotted to the water department would not have allowed them to have been painted in 1935, 1936, or possibly 1937.

It seems to me to have been a necessary project, and certainly I cannot understand the criticism that seems to have been directed against it.

Just think of that. After 12 years of Republican prosperity, the city of Wilmington was in such financial straits that it was too poor to buy some Du Pont paint for its fire hydrants.

Turn now to one of the projects listed by the American Liberty League as a horrible example of the way Government funds are being squandered and wasted. This one was for repairing shoes for the needy school children in Mineola, Long Island. Unfortunately, the information from local authorities failed to arrive in time for inclusion in this report, but the Members of the Senate, of course, can see right away how demoralizing such a project would be to the people of that community. In its pamphlet describing these projects—perhaps I should have said distorting these projects—the Liberty League says they are promoted by "crack-brained theorists", and that they offer "no stimulus to the relief recipients." I think we have all read the accounts of the severe winter through which we have just passed. As the Liberty League implies, think how demoralizing it must have been with the thermometer 10 degrees below zero, to have Uncle Sam supplying funds to repair the damaged shoes of children who were forced to trudge daily back and forth to school. The Du Pont brothers must have been shocked when Shouse showed them that classic example of undermining the moral fiber of children on relief.

I am going to take another project which the Liberty League gave as an example of the demoralizing influence of the works-relief program. The league's pamphlet called it instruction of housekeepers with a view to rehabilitation of homes of needy families in New Hampshire. This Works Progress report says:

This State-wide project is typical of a series of similar projects, operating throughout the country, which send women trained in cooking, cleaning, hygiene, child care, laundering, shopping, etc., into the homes of needy families, particularly when the mother is ill or the family is so large that the mother requires aid.

Training centers are organized for the teaching of cooking and sewing to housewives of the various communities. In this respect the idea is far from an innovation and is of proven value, since in scores of communities the teaching of domestic science to housewives has been carried on for years as part of municipal educational programs by the Y. W. C. A. and by other public and private bodies.

Let me add at this point that the Liberty League has pointed out a number of similar projects in their efforts to discredit the public-works program. The arrogance of the Liberty League in attacking and ridiculing needy men, women, and children on relief is amazing, to say the least. I

cannot conceive a better way of expending funds than to teach the less fortunate people of the country how to get the best out of their meager resources.

The Liberty League pounced on a project out in Colorado for the reconstruction of old Fort Vasquez as an example of the type of project on which money is being squandered, while the task itself is lowering the morale of the workers. Again I quote from the Works Progress report:

Citizens of Platteville, the State historical society, the D. A. R. and a leading Denver newspaper have been agitating for this historical restoration for several years.

Fort Vasquez was one of the early fur-trading posts to be established in Colorado. "The local inhabitants feel", in the words of one of their number, "that it is a great service to the community, to the State of Colorado, and to the entire West to be able to commemorate the activities of our western pioneers."

When the fort is entirely restored, it will be used to house a collection of relics of early fur-trading, cattle-raising, and Indian-fighting days.

I digress at this point to ask if any one of my Republican colleagues would like to defend the league in its assertion that the Daughters of the American Revolution are encouraging the waste of public funds and the demoralization of workers in sponsoring a project of that type?

Because of the limitations of time, it is not my purpose to read in detail from the report as to every project which the Republican National Committee and the Liberty League have seen fit to criticize.

In this discussion I have chosen for mention those projects which on their face, as represented by the critics referred to, are most calculated to arouse lack of confidence in their soundness. As to the others that have been so severely criticized, the facts will be placed in the RECORD.

For some strange reason both the Republican committee and the league has seized on a number of projects in Cleveland as illustrations of what they call fund-wasting projects. These are mostly health projects approved by the Cleveland Food and Drug Administration, and by other public bodies, and I cannot see how they are open to criticism. Of course, the Liberty League does it by concealing the facts and merely printing a short criticism which fails to describe the project. As an example let us take the project of poisoning rats which irked the Liberty League.

This report shows that E. B. Buchanan, head of the Cleveland Food and Drug Administration, estimated that 100,000 rats were killed by the setting of approximately 350,000 poisoned baits by P. W. A. workers in the downtown slum areas. Assuming the correctness of the estimate of authorities that one rat does \$2 worth of damage a year, then Cleveland has a potential saving of \$200,000 on a project which cost Uncle Sam \$8,869 and the city \$438.

Of course, the projects to which I am now referring, projects of the kind last mentioned, are of an exceptional character; they are perhaps the only ones of their kind in the 170,000 projects that have been worked out by the localities, with the approval of the Public Works Administration, for the purpose of giving those who are without the means of subsistence or the opportunity of earning a livelihood the chance of going off the dole and earning a living. Rats, as we all know, are carriers of the germ which causes bubonic plague, and they have been the enemies of mankind from the beginning of time.

Under the conditions that existed, considering the circumstances that are set forth in the record, this project, while it has been ridiculed by the critics I have mentioned, is a sound project. Of course, when it is stated nakedly that that the Works Progress Administration is going into the business of "catching rats" it sounds funny, and it does not inspire confidence, but when we take the actual circumstances of that particular project, the fact that it is the only one of the character involved in the list of 170,000, we can see that, after all, it is not so funny as the humorists try to make it appear.

I am going to take up now a few of the projects which were ridiculed by the Republican National Committee. A committee pamphlet described one of these projects in the following fashion:

In the Borough of Queens, N. Y., early in October, Federal funds amounted to \$500,000 to make bridle paths more attractive for horsemen.

This report shows that the statement by the Republican committee was grossly exaggerated, that only \$20,000 was allotted for the project last August, and that another \$10,000 was allotted for similar work in Hillside and Alley Pond Parks. These projects were sponsored by the Long Island State Park Commission, with the Department of Parks of New York City as a cooperating agency.

In its pamphlet on work relief, the Republican National Committee described another project as follows:

At Waltham, Mass., drainage of piggery on Winter Street, Federal funds, \$9,478.

Any person reading that description of the project would, of course, hold the project in contempt; but the point is that the facts, the significant facts, in connection with the subject were omitted from the statement.

The press release of the P. W. A. describing the approval of that particular project stated very plainly that its purpose was "the drainage of piggery on Winter Street to avoid contamination of water supply." Note the sly way in which the Republican committee left out that all-important fact about the health menace in order to create the impression that the Roosevelt administration was sending men around to drain piggeries just for the sheer joy of doing it.

I read from this report, and perhaps this will give the big minds of the Republican National Committee something to think about. I quote:

The run-off from the piggery has been emptying into a stream which feeds the water-supply reservoir of the adjoining city of Cambridge.

Danger of contamination was so great that the Massachusetts State Board of Health ordered the piggery drained. The city engineer of Waltham said:

"By building a drain we can intercept this water and cause it to drain without reaching the Cambridge water basin, which holds the domestic water supply for the whole city."

I have placed the facts before the Senate, and they show beyond doubt that the Republican National Committee and the mis-called American Liberty League are guilty of playing politics with the tragic fate of people who are on relief rolls.

By first-hand evidence I have shown that both the committee and the league are guilty of suppressing the facts, of distorting the facts, and of misrepresenting the facts. The Roosevelt administration has never made the claim that its administration of this monumental task is above reproach; that every project is perfect; or that what it is attempting to do is above criticism. But the administration is entitled to be judged on the facts alone, and that is the only method which our political opponents refuse to follow. They seek to do by ridicule and innuendo what they would not dare to try openly.

A newspaperman, Mr. Robert S. Brown, who, I think, represented that great chain known as the Scripps-Howard newspapers, wanted the facts about work-relief projects, and he made a survey for his newspapers. He reached these conclusions:

Fully 80 percent of the P. W. A. projects now under way involve improvements which taxpayers would eventually have undertaken regardless of the unemployment crisis.

The remaining 20 percent is open to criticism largely because P. W. A. has fallen down in providing worth-while projects for the white-collar unemployed.

W. P. A.—the third attempt of the Federal Government at work relief—is accomplishing most of the things it set out to do.

Three million have been put to work.

I suggest that the Republican Party and the Liberty League might try the refreshing method of hearing the evidence before reaching a verdict based on prejudice alone.

Now, let us take up briefly the contention of the news correspondent just quoted, that the W. P. A. has failed to provide the right type of projects for white-collar workers. We must concede that to find such projects is a task requiring almost superhuman ability. Quite obviously, actors, musicians, or newspapermen cannot be expected to show efficiency in using a pick and shovel to keep body and soul together.

Such a policy would be futile, and as to men of middle or advanced age, it might be dangerous. Notice that almost every one of the projects criticized by the Republicans and the Liberty League come in the class I am now describing. One of the surveys which received hostile treatment by the Liberty League was undertaken to provide employment for newspapermen, and it is proving of real value.

I should like to emphasize now that it may seem a very easy thing to find work for one whose whole life has been devoted to the performance of sedentary duties, like a book-keeper or an accountant, who cannot obtain private employment and who cannot find the opportunity for employment in any department of government. It is difficult to find something that he is able to do.

The difficulty of finding these "white collar" projects must be admitted by anyone who has given thought to the subject. It does not appear in the surface and does not suggest itself at first, but when we consider the hundreds of thousands who are in that class who can get nothing to do which they are trained to do, and who have no means of livelihood, we realize that it is difficult for the localities in which they live to provide them with useful employment. Bear in mind also that these projects all originate in the various localities and as a rule are not suggested by the national administrative authorities.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Arkansas yield to the Senator from Texas?

Mr. ROBINSON. I yield.

Mr. CONNALLY. In connection with the statement the Senator just made, is it not one of the requirements that the various localities through their authorities must contribute their share of the funds?

Mr. ROBINSON. Yes; where they are able to contribute they are required to do it; and in proportion to their ability. However, the point that is being made or attempted to be made is that localities or their governing authorities are expected or required to create or plan projects to give employment to the so-called white-collar workers.

I have even heard some say during the last few days that there ought not to be any provision made for white-collar workers; that any man who is able to wear a white collar ought to be able to provide for himself. Of course, we all understand the real significance of the term. It means persons who are not accustomed to hard manual or physical labor and yet persons who have been in the habit of working for a livelihood as, for instance, in offices.

Our Republican friends are so critical and become so indignant over trifles that I am now certifying every utterance. Indeed, it is high time to get the facts concerning these so-called white-collar workers. Are they entitled to work relief like other classes of citizens? Now, our Republican friends and the Liberty League are highly incensed because the Roosevelt administration decided that musicians, writers, and artists out of employment should be accorded relief the same as any other group. So the Liberty League argument boils down to this: In case of war the artists, musicians, and writers may have the privilege of being destroyed by Du Pont gunpowder, but in time of peace they must not be given aid through Federal funds.

In many other arguments advanced by the Republican Party and the Liberty League this attempt to discredit projects for white-collar workers comes down to an absurdity.

Undoubtedly, in some jurisdictions blunders are being made, and it is the privilege and duty of right-minded individuals to expose and correct maladministration wherever and whenever it is exposed or can be brought to light. The point is that sound corrections can only be based on facts. They cannot be made if the facts are perverted or misrepresented.

Members of Congress may rest assured that when they voted for a broad work-relief program to be executed under the President's direction they set in motion humane forces which are being guided in such a manner as to reflect credit

upon the purposes of those who conceived and supported the plan to substitute helpful employment for doles or gratuities.

It may be added that throughout the period of the depression there have been many citizens who did not believe in work-relief methods of affording assistance to the unemployed. They have preferred the dole. The theory of work relief is, as I assume every Senator understands, that it will maintain the morale, the courage, the hope of the citizen who is given an opportunity to perform work, and that if he should be required to rely upon the dole his morale would likely be destroyed and he would be driven toward mendicancy. The problem of relief would increase in difficulty until it would become impossible of solution.

Mr. President, I ask leave to have printed in the RECORD the telegram from the mayor of Memphis to which I referred and an analysis of the projects criticized by the American Liberty League and the Republican National Committee.

There being no objection, the telegram and analysis were ordered to be printed in the RECORD, as follows:

[From the New York Times of Feb. 10, 1936]

THE MEMPHIS DOG POUND—TENNESSEE CITY'S MAYOR AROUSED BY AN UNPUBLISHED STORY

MEMPHIS, TENN., February 8.—I am reliably informed that the New York Times carried a story ridiculing a W. P. A. project of the city of Memphis to provide a dog pound for our city. The city of Memphis takes full responsibility for this project, and we deeply resent your biased, partisan, and unfair story in regard to this project.

The city of Memphis is building a dog pound in cooperation with the W. P. A. to protect the lives and safety of the people of Memphis. This project has the approval of the Memphis health department, the Memphis Humane Society, and our citizens.

In the last 3 years our city health department has given 827 Pasteur treatments, mostly to children who have been bitten by mad dogs. During this same time our health department reported 1,500 people bitten by dogs, and our city laboratory has found 372 of these dogs to be rabid. Six people have suffered horrible deaths as a result of being bitten by rabid dogs in this city.

In a constructive effort to protect our children we are constructing as a health measure a dog pound with concrete walls, steel pens, gas chamber, and a central office to conduct our campaign for the proper control of rabies and the handling of small animals, the total cost of the project being \$19,000, of which the city of Memphis is contributing \$6,000.

The project is further giving employment to citizens of this community who are in need and furnishing a building which will protect the men, women, and children of this city for many years to come.

We cannot conceive that any newspaper would be so partisan as to ridicule a project so essential to the health and safety of any community.

I reiterate that the city of Memphis takes full responsibility for this project, and it is not an example of waste on the part of W. P. A. but an outstanding example of the constructive projects being undertaken for the benefit of the average citizen.

This is one of 201 city projects we are advocating to provide work for honest men seeking a living and to benefit the people of our city. We destroyed over 10,000 dogs in 1935 because they were a menace to the health and safety of this community, at a large cost to the taxpayers. The construction of this building will ultimately not only protect the health and safety of our children but will make possible an actual saving to the taxpayers. If the New York Times is fair and not seeking to merely spread false propaganda, you will give the same publicity to this telegram as you gave to the biased, unfair, and unfounded story which you published on February 7.

WATKINS OVERTON,
Mayor of Memphis.

(The New York Times published no article about the Memphis dog pound on Feb. 7. It did publish a 3-column reproduction of the architect's drawing for the edifice. The caption on the picture read, "A \$25,000 boondoggling dog pound for Memphis. An architect's drawing of the building under construction as a W. P. A. project. It will be equipped with shower baths, outside exercise runways, and pens supplied with fresh straw bedding daily for the dogs. A sealed gas chamber will be used to execute all unclaimed animals after 3 days."—Editor Times.)

The American Liberty League attacks this project: Draining basement of schoolhouse by digging trench 300 feet by 4 feet and laying 4-inch drain tile in Harmony, Ore.

The facts are:

1. The directors of school district 49, sponsor of this project, declare that they "are entirely satisfied with the job as completed—cost, workmanship, and value received."

2. They point out that, if done by day labor or contract, the job would have cost more than the \$97 supplied by the W. P. A.

3. The sponsor spent \$21.46 for the materials used.

The American Liberty League attacks this project: Survey of down-town district of river in Portland, Ore.

The facts are:

1. The Portland Planning Commission, the project sponsor, states that this is a city planning project which is invaluable for the future development of Portland.

2. Traffic regulation requires a study of existing conditions, the commission points out.

3. The work includes surveying all streets and sidewalks in Portland's down-town area for the location and mapping of all obstructions to traffic, such as fire hydrants, traffic signals, loading zones, "no parking" zones, theater entrances, garage entrances, street-car safety islands, etc.

4. Lack of funds kept the commission from undertaking the work until this time.

5. For the past 10 years city planning commissions have been using municipal appropriations and private contributions to carry on similar surveys in almost every important city in the country. Wherever the flow of city traffic has been improved by planning, savings in time and money have resulted for individuals and business firms.

The American Liberty League attacks this project: Construction of an aerohydrocraft ambulance and harbor patrol boat in Portland, Ore.

The facts are:

1. "The city of Portland has approximately 30 miles of water front to patrol and lacked a light, fast river craft capable of handling first-aid cases, rescues, fires on small river craft, police work, and so forth," declares the city engineer of Portland, agent for the sponsor, the city of Portland. "This boat is a valuable addition to the city of Portland's equipment and could not have been otherwise constructed because of lack of funds to employ the necessary skilled labor."

2. Public-spirited citizens, realizing the need for the boat, agreed to contribute the necessary boat-building materials for this uniquely designed ambulance boat, provided the W. P. A. would furnish the labor.

3. Aerodynamic design, eliminating any possibility of capsizing at high speeds, is the boat's outstanding feature.

The American Liberty League attacks this project: Manufacturing of cotton and woolen garments and distribution to families on relief in Hartford, Conn.

The facts are:

1. This project is a part of the women's sewing program.
2. One hundred relief women are given employment.
3. The sponsor declares that "continuance of the project is essential because it is the only project in the city which furnishes employment to semiskilled women."

The American Liberty League attacks this project: An inventory of all State property in Oregon.

The facts are:

1. The Property Comptroller of Oregon, chief of the State office sponsoring this project, makes it clear that the work being done is not merely an inventory of the physical property owned by the State, but entails the establishing of property-control records. These records will show the flow of property in and out of the State's possession, including its bonds, credits, taxes, and accounts receivable and payable.

2. Such records have been kept in many departments of the Federal Government for years and have saved thousands of dollars for the Government.

3. The new property-control system is based on Federal practice, entailing property inventories for every department and the placing of responsibility for this property on department heads.

4. The work resembles the inventory and accounting systems set up by many large corporations.

5. "This project is justifiable and necessary for the immediate preservation of State property," declares the State property comptroller.

The American Liberty League attacks this project: Providing nurses at the Multnomah County Hospital, Portland, Ore.

The facts are:

1. Multnomah County Hospital, which serves the city of Portland and the surrounding county, has been exceeding its normal hospital capacity for a long time, according to the chairman of the board of county commissioners, which is sponsoring this project.

2. At present "as many as 50 to 60 in excess of the normal capacity are being cared for under adverse conditions. This has caused a serious need of extra nurses", the sponsors' agent points out.

The American Liberty League attacks this project: Use of stenographer in county-school superintendent's office in Portland, Ore.

The facts are:

1. The sponsor's agent, the superintendent of Multnomah County schools, declares that increase of office work, incurred by partial supervision of a number of W. P. A. projects on county schools to which the county is contributing funds, has made an additional stenographer necessary in his office.

2. "The stenographer's work has been most satisfactory, and we do appreciate this extra help", the superintendent says.

3. Of the county W. P. A. projects, he states: "They have been of such nature that they are permanent and will mean a saving to taxpayers in the future."

The American Liberty League attacks this project: Sewing of garments for relief families in Danville, N. H.

The facts are:

1. This work project has helped maintain the morale of many women who hitherto worked in women's shoe factories.

2. It has meant a substantial saving to the city in relief costs. This, one of the village selectmen states, has been applied to the municipality's bonded debt, "which had reached near the peak due to new borrowing for road work for our unemployed through the first 3 years of the depression, and in a town of this small size had us nearly swamped."

3. "Since we have been allowed to give things made on the project to our needy here in town, especially to the aged and the children, the school teachers have informed me of a marked change in the appearance and morale of children of poorer families who were never decently dressed by their parents. I suppose the kids feel that they must act as they look, all dressed up."

4. "I have watched through storekeepers how the women spent their money and can state that it has done an immense lot of good to undernourished children. Women seem to be better able in most cases to handle a small pay check. Children are seldom hungry if the woman gets the money here."

5. "I believe that a most important thing about these projects is that the local authorities must cooperate and take a constant active interest, both financial and moral, keep politics out, and demand honesty and efficiency."

6. "In closing, I find two things stand out in my mind constantly: Elderly women struggling through snowdrifts in our worst storms determined to get to the project against my advice, and several taking work home nights to sew buttonholes because they were not satisfied with the amount of work accomplished during the day. Surely such characters merit more than a dole."

The American Liberty League attacks this project: Repairing shoes for needy school children in Mineola, N. Y.

The facts are:

1. Three men are being given employment on this project.

2. The work is sponsored by the Emergency Relief Bureau of Nassau County.

The American Liberty League attacks this project: Supplying clerks for old-age pension assistance office in Butler, Pa.

This project was rescinded on September 21, 1935.

The American Liberty League attacks this project: Operation of portable cannery for relief purposes in Lane County, Ore.

The facts are: Authorization of approval for this project was received too late in the last canning season to warrant beginning operations.

The American Liberty League attacks this project: A workroom to make mattresses and comforters for families on relief in Vermont.

The facts are:

1. E. B. Armstrong, overseer of the poor of the city of Montpelier and supervisor of this project, writes that he personally investigates the homes to which the products of the work go. "It is unbelievable," he says, "the number of homes where children and adults are using only coats for covering. My personal opinion is that the mattress and comforter projects have furnished real relief to the needy, and are hitting a spot in the relief program where dire need exists."

2. The Montpelier Charity Department provides the workroom, heat, light, and storage space for the project.

3. Thirty-five comforters are being manufactured daily by the sixteen full-time adult workers and two N. Y. A. workers employed.

The American Liberty League attacks this project: Physical instruction classes in Waco, Tex.

The facts are:

1. These classes train the persons who attend them in various forms of recreation.

2. The city of Waco is the sponsor. W. C. Torrence, city manager, says: "We consider the recreation project very worthy and hope it will be continued."

3. Thirty-five people are employed in directing the recreational activities.

The American Liberty League attacks this project: Production of comforters, towels, pillowcases and sheets in Mankato, Minn.

The facts are:

1. This activity is being carried on under the sponsorship of the Board of Commissioners of Blue Earth County.

2. Sixty-three women are supporting their families through the work.

3. W. C. Minch, chairman of the board of commissioners, gives it as his opinion that the problem of poor relief would have been far more serious during the past severe winter if there had been no W. P. A. sewing project.

4. "Many not now on relief would have been recipients of county or community-chest aid," he declares. "This would have cost the taxpayers many thousands of dollars."

The American Liberty League attacks this project: Organization and administration of a recreational project during the summer season, including life guards, play leaders, musicians, dramatists, etc., in Cleveland.

The facts are:

1. This project was carried on in general recreational centers all over the city until November 29, 1935, when it was completed.

2. Three hundred and sixty-eight persons were employed in the work.

3. As a result of the project thousands of unemployed men and women and their children were enabled to obtain pleasure and enjoyment that otherwise would have been denied them.

The American Liberty League attacks this project: Revision of catalog in Central Library in Hartford, Conn.

The facts are:

1. The project, on which five workers have been employed, has been completed.

2. The work consisted of checking and revising all the cards in the library catalog.

3. The result will be a much more accurate index to the contents of the library.

The American Liberty League attacks this project: Classifying books, rearranging, sorting, and checking books at statehouse in Providence, R. I.

The facts are:

1. The sponsor of this project states that the work will bring the Providence State and city library catalogs into conformity with Library of Congress classifications.

2. Fifty-six women and 22 men are given employment.

3. In addition to the tasks enumerated above the work includes placing book plates in volumes for circulation, repair of books by untrained workers under supervision of trained instructors, providing field workers for understaffed libraries in the State library system, a bibliographical study of newspaper collections, and the cleaning and filing of old documents in the Rhode Island Department of State Archives.

The American Liberty League attacks this project: Training and work centers for women in Pineville, Ky.

The facts are:

1. "As sponsor for Bell County," writes Judge D. M. Bingham, "I have been delivering clothes to the Salvation Army in the Middlesboro territory and to Miss Coniff, of the Kentucky Children's Bureau, in the Pineville area. Those two agencies are giving the clothes to the poor people in Bell County. The program as now outlined is perfectly satisfactory."

2. In Pineville 64 women from the relief rolls are employed in making the garments. In Middlesboro 79 white and 18 colored women are employed.

3. Garments manufactured up to March 1 included 1,019 dresses, 1,405 baby clothes, 378 dozen diapers, 365 shirts, 254 overalls, 69 overall jackets, 676 coveralls, 3,271 suits of underwear, and 516 sleeping garments.

4. Total monetary value of the product, \$4,316.

The National Republican Congressional Committee attacks this project: In Louisville, Ky., among the work-relief projects approved by the President, is one calling for the expenditure of \$4,368 to renovate books in the city's libraries.

The facts are:

1. "This is a continuously valuable project," declares Harold Brigham, city librarian, "in employing an average of seven relief women who could not sew or work on other types of projects."

2. Between November 6 and the end of February, 4,245 books were mended, 2,084 magazine covers were made, and 2,406 books were perforated, pocketed, labeled, and stamped.

The National Republican Congressional Committee attacks this project: Community-service program, Tempe, Ariz., Federal funds \$35,036.

The facts are:

1. Arizona State Teachers' College is sponsoring the project and is contributing \$2,400 toward the work, which includes: Nursery schools for malnourished and indigent Mexican children and Yaqui Indians; an educational program under which Indian and Mexican women are taught sewing, cooking, laundering, and child care; and a night school at which Indian and Mexican men are taught carpentering, arts and crafts, and English.

2. More than 100 children and 60 adults are accommodated by the program and student teachers at the college obtain practice training in the nurseries. This will prove valuable to them after graduation since the Bureau of Indian Affairs employs graduates of Arizona State Teachers' College in great numbers in Arizona, giving preference to those with experience in teaching Indians.

3. The findings of this project are to be made available for application throughout the State in solving the problem of the Yaquis, whose condition is desperate in several parts of Arizona, partly because they are not eligible for care by the Bureau of Indian Affairs.

4. "Our people here at the college are definitely of the opinion that this is a very worthwhile project, and I am convinced it is being well managed and is accomplishing definite results," declares Grady Gammage, president of State Teachers' College.

5. Educational and physical improvement of the Indians of Tempe is a boon because 50 percent of the town's population is Indian.

The National Republican Congressional Committee attacks this project: To paraphrase an old axiom, the New Dealers evidently believe that inconsistency is a jewel. While the Agricultural Adjustment Administration is sending benefit checks to Texas farmers for crops they have not grown, W. P. A. announced that it will spend \$2,226,500 on a community garden program in the Lone Star State.

The facts are:

1. This is in reality a State-wide canning program, designed to save surplus food from being wasted, not a program to stimulate production.

2. The fruits, meats, and vegetables to be canned are obtained from community and individual gardens.

3. The program is now operating on a partial basis in 14 counties, involving 34 plants employing 480 relief workers.

4. The total project authorization up to March 1, was \$230,017.

5. Through canning their food surpluses, Texas farm families are learning for the first time the advantages of preserving food that otherwise would be lost.

6. Out of the food canned by the relief factories for the farmers a portion is withheld as a "toll" and distributed among unemployed

able destitute families and inmates of State and county institutions.

The National Republican Congressional Committee attacks this project: Leisure is to be more abundant in Duluth. Orders were issued by Administrator Hopkins to "develop athletic fields, grade tennis courts and ball fields, build field house and grandstands, Federal funds, \$117,429; sponsors' contribution, \$4,494."

The facts are:

1. Mr. Hopkins issued no "orders" to undertake this work. The Duluth park department requested the project.

2. F. Rodney Payne, manager of this department, declares that "this development will be the only one of its kind in the entire eastern half of the city, which contains more than 50 percent of the population."

3. The average employment on this project is 110 men.

The National Republican Congressional Committee attacks this project: To "clean shoulders, banks, and gutters" in Delaware County, Pa., \$11,755.

The facts are:

1. Twenty-two men are employed in this work.

2. The road supervisor of the township in which the project is operating declares that no money was available for the work until the W. P. A. came along.

3. The work has for its purpose the removal of dangerous hazards through widening, straightening, and grading the roads.

The National Republican Congressional Committee attacks this project: For a community-service program in the courthouse at Erie, Pa., \$780.

The facts are:

1. Two persons have been employed on this project.

2. The work has consisted in filing common-pleas records covering the period from 1843 to 1900.

3. The work was about 60 percent completed when the allotment was exhausted.

4. In urging approval of a supplementary appropriation to continue the work, the county clerk states: "This work is of the utmost importance and is very badly needed and should be completed; in fact, the work to date has met with the approval of everyone having business to do with this department of our office."

The National Republican Congressional Committee attacks this project: At Moscow, Pa., \$1,206, to clear the brush.

The facts are:

1. The sponsor of this project, the Covington Board of Township Supervisors, writes as follows regarding this project: "We have been hit quite hard during the past several years and taxes have not been paid. Therefore, we have not been able financially to carry out any extensive construction program."

2. "We want to thank you for the fine cooperation you have shown in starting the brush-clearing project along Frytown Road. Prior to the starting of this project the thickness and height of this brush was such that it was a menace to traffic because of poor visibility. Also, the brush was so thick that it started to overhang the road, causing a possible fire hazard."

3. "The project is manned 100 percent with relief men, all of whom are residents of our township. Surely you can see what a position we would be in with these families on our hands and no money in the treasury."

4. Ten men have been employed on this project.

The National Republican Congressional Committee attacks this project: Construction of two concrete shuffle boards and a giant concrete checker board at Brookside Park, Ashland, Ohio; Federal funds, \$744; local funds, \$909.

The facts are:

1. The project also included repair of a grandstand and landscaping.

2. Sixteen men completed the park improvements in 1 month.

3. The sponsor states: "The community is looking forward to recreational activities this summer that would have been deprived if the Federal Government had not furnished labor for the installation of shuffle and checker boards and general park beautifications."

The National Republican Congressional Committee attacks this project: At Meridian, Pa., to construct handball and tennis courts, running track for school athletic field, and stone drain; Federal funds, \$12,589; sponsors' contributions, \$880.

The facts are:

1. "This playground will be a needed health recreational field for the school children," says the secretary of the local school board which is sponsoring the project.

2. "It will landscape the grounds west of the school in keeping with the attractiveness of the building."

3. The project will not be started before May 1, when the weather will permit steady work without interfering with the normal functioning of the schools.

Mr. VANDENBERG. Mr. President, the able Senator from Arkansas [Mr. ROBINSON] has confined himself to a discussion of so-called "boondoggling" in respect to the widespread, current criticisms of W. P. A.

I know nothing about the boondoggling exhibits which the Senator has presented. I have no desire at present to discuss boondoggling, although it has interesting and frequently ridiculous aspects. I certainly do not propose to debate with the Senator from Tennessee as to whether or not the luxurious Memphis dog pound has put the "dog" in "boondog-

gling." But I should not want the subject to be left with the impression that the only complaint against W. P. A. is this charge against so-called "boondoggling." It seems to me that the situation is infinitely more challenging in at least two other directions, which the able Senator from Arkansas did not touch at all.

The Senator said very frankly in his opening observations that he did not propose to exhaust the subject. He kept his word. I make no complaint that he did not enter the two fields which I think particularly demand the consideration of any responsible Congress. It seems to me that this consideration is demanded quite without respect to partisanship.

Obviously, the first consideration is the question whether or not W. P. A. is being subjected to political exploitation and political manipulation in behalf of partisan objectives, as is so often and so earnestly asserted. So far as I know, a far more formidable challenge in that aspect has been leveled against W. P. A. from the Democratic side of the Senate than from the Republican side. I refer to that fact chiefly to show that the consideration can be nonpartisan, and that the Senator's intimation that all W. P. A. complaints flow from partisan Republican sources is scarcely tenable.

I know perfectly well that the able Senator from Arkansas, as well as the Administrator of relief himself, unquestionably would condemn any political exploitation of W. P. A. The fact remains that charges are heard up and down this country, and often sustained, in respect to political exploitation, which never in this world can be downed or diverted until there is a complete investigation which will conclusively indicate the right and wrong of the matter. Without any reference to political considerations within the Senate, I hope that for the sake of the fine relief objective which the Senator from Arkansas describes, we may have the general investigation of W. P. A. which has been repeatedly suggested and demanded for the purpose of general ventilation.

Mr. President, the other consideration which it seems to me is of paramount importance in respect to W. P. A. involves the basic question of policy as to whether or not it is wise that an emergency work-relief authority should have the power to commit the country and the Government to long-time permanent improvement programs which are only commenced by the work-relief appropriation and are then left to the Congress subsequently to finance through general and regular appropriation means.

Let me illustrate what I have in mind.

It seems to me that it is bad policy to proceed under a system whereby the W. P. A., through the use of \$5,000,000 of emergency-relief allocation, may commit the Congress and the country and the Government to an ultimate possible \$200,000,000 investment in order to complete the thing which is commenced with the \$5,000,000 allocation. Manifestly, I am referring at the moment to the Florida canal.

It seems to me that precisely the same challenge rests in respect to the commencement of the Passamaquoddy tidal power project, which was started not by direct congressional authority but by an emergency relief allocation of \$5,000,000, which then leaves us confronting the open question as to whether we are not so committed to the undertaking that it will be necessary for us, out of regular funds, to provide the additional \$30,000,000 to carry on. This manifestly becomes government by Executive decree instead of government by legislative process unless these trends are sharply checked.

The same situation was involved in a series of five major reclamation projects which were belatedly validated last week in an appropriation bill. They were not started by order of Congress. They were started by Executive order through the W. P. A.; and the expenditure of a comparatively few million dollars is used as a springboard to commit the Congress to the wider, larger investment.

I heard it said that the reclamation projects which have thus been started by Executive order, and not by act of Congress, may easily involve a total expenditure of \$500,000,000 before the program is completed. We know that in the case of the Florida canal, the expenditure from the W. P. A. fund is only \$5,000,000. Congress is left to answer for the

balance which may be from \$145,000,000 to \$195,000,000, and to provide it if we are prepared to concede that we are thus committed to the permanent work, regardless of what we conclude to be its intrinsic merit or alarming lack of it.

In the case of the Florida exhibit, it will take 6 or 8 years to complete the undertaking; and it seems to me illogical that an emergency work-relief fund should be used in the inception of an undertaking which certainly we hope will far outlive the emergency and the relief we are now attempting to administer. It seems to me that the vice of the particular situation I am discussing is that to all intents and purposes Congress is robbed of its opportunity to pass upon these things de novo, and to decide whether or not the country should be committed to these amazingly large permanent works programs.

I fully realize, Mr. President, that all work-relief projects cannot be specifically and individually authorized by act of Congress. So long as this method of attempting to handle the relief problem persists, there manifestly must be some latitude in the administrators. But I am arguing that when major, long-time public-works projects, in categories heretofore commenced only by congressional authority, are undertaken, they should be confined to projects that have had congressional approval. This is particularly true in respect to river and harbor and waterway projects. There are ample lists of approved projects without entering the realm of unapproved projects. I insist it is for Congress to determine whether a major waterway shall be started when such a waterway will take many years to build, and when it must be completed largely out of subsequent regular appropriations, and when it involves an annual charge for maintenance and upkeep which will run on in perpetuity. I insist that no such enterprise should be launched by mere Executive order. Oh, yes; the President has the power to launch them. Congress made the colossal blunder of delegating its powers 1 year ago to make this Executive latitude possible. But I am insisting that we should reclaim our power, and that no further W. P. A. adventures of this nature should be undertaken.

In the case of many of these projects they have been rejected by P. W. A.; they have been rejected by the engineers of the Public Works Administration. Yet in spite of their rejection by P. W. A., in spite of the fact that Congress never has had an opportunity to pass upon them through enabling acts, they are finally launched under Executive order through W. P. A.!

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Tennessee.

Mr. McKELLAR. I wish to call the Senator's attention to the reclamation projects.

As the Senator knows, for 50 years, under both Republican and Democratic administrations, reclamation projects have been carried on as a permanent policy of the Government. The Senator says we are committed by the starting of these projects. Instead of that being true, the Congress has the absolute control of them; and the truth is that it is more difficult to give the authority in the situation the Senator has suggested than it would be in the beginning if initiation processes were begun in the Congress, for this reason:

Take the case of the five projects regarding which the Senator from Arizona [Mr. HAYDEN] offered committee amendments to the Interior Department appropriation bill just a few days ago. Those five projects had to have a two-thirds vote of the Senate in order to be continued. Take the case of the Florida project, of which the Senator from Michigan speaks. If it is continued, no doubt it will be continued in the same way. It will take a two-thirds vote of the Senate to add it to an appropriation bill when the appropriation bill comes up. It is a question of votes. It is a question of whether the project, in the Senate at least, has a two-thirds vote; and apparently that is the case with reference to the reclamation projects, because just 2 or 3 days ago two-thirds of the Senate voted to put those five projects into the Interior Department appropriation bill.

So I say to the Senator that so far as the permanency of those particular projects is concerned, if the Senator is

opposed to them, it seems to me the thing for him to do would be to get a little more than one-third of the Senate to agree that they are not proper projects to be carried on; and if they are not proper projects to be carried on they can be very easily defeated by less than one-half of the Members of the Senate.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. No; not until I shall have answered the Senator from Tennessee. Then I shall gladly yield.

The Senator from Tennessee used to be a pretty staunch economist, and I hate to see him change. I repeatedly followed him under my own administration in trying to cut appropriation bills 10 percent under blanket amendments, which I was proud to have him offer then, and which I am sorry he has not been offering in the present administration.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. Yes; I yield.

Mr. McKELLAR. Of course, I am a little embarrassed in offering advice to a possible President of the United States.

Mr. VANDENBERG. The Senator should not be at all embarrassed on that account.

Mr. McKELLAR. I am quite embarrassed about it; but, at the same time, if the Senator would follow my lead generally I think he would vote better.

Mr. VANDENBERG. Mr. President, let us get at the point which the Senator from Tennessee has presented, and let us get at it factually, and I desire his attention.

Mr. McKELLAR. I shall be glad to give it.

Mr. VANDENBERG. I have not the remotest political consideration in my head as I present this matter to the Senate. I call the Senator's attention to the fact that it is now being argued before the Appropriations Committee, of which the Senator from Tennessee is a distinguished member, that because Congress sublet to the President the power to initiate these projects, it thereby authorized the projects themselves, and that it is no longer necessary even to ask for an authorization, and that Congress is foreclosed from objecting. That is my complaint.

Mr. McKELLAR. Mr. President, I happen to be a member of the subcommittee of which the Senator from Arizona [Mr. HAYDEN] is the chairman, which had under consideration the amendments to which reference has been made. The five projects of which the Senator speaks were gone into most elaborately. The evidence regarding them was heard; and, as I recall one of those projects especially, I took the position that it ought not to be carried on, certainly beyond the limitation that had been fixed for it in the very beginning when it was proposed to increase that limitation.

But those five projects were discussed and passed on, as I recall, without the slightest suggestion that because the President had started them as a part of the emergency relief work it was our duty to continue them. What was done? The subcommittee, and later on the full committee, authorized the chairman of the subcommittee to offer the amendment as an independent amendment, so that a two-thirds vote of the Senate would be required. The Senator from Arizona is present, and I am quite certain he will agree that I have correctly stated the facts.

Mr. VANDENBERG. Mr. President, let me save the Senator some time and effort. What he is now saying about the five reclamation projects is entirely correct. Since then, in the more recent argument before the Committee on Appropriations in respect to five other projects, including the Florida Canal and the Passamaquoddy undertaking, the whole case rests primarily upon the proposition as submitted by the proponents of these undertakings, that because Congress sublet the original power to the President, and he in turn to W. P. A., we are bound by any such allocation, and that that constitutes an authorization which we can neither review nor escape.

Mr. McKELLAR. The Senator must be speaking of projects coming under the military department of the Government, the Army.

Mr. VANDENBERG. I am speaking of projects coming under the Board of Rivers and Harbors Engineers.

Mr. McKELLAR. That would be in the military appropriation bill.

Mr. VANDENBERG. Oh, yes.

Mr. McKELLAR. I do not happen to be a member of the subcommittee having that in charge, and I cannot say of my own knowledge what the facts are about that; but the Senator was talking about reclamation, and he was so entirely in error about reclamation that I fear just a little that the Senator may be somewhat in error about the matters coming under the jurisdiction of the subcommittee having charge of military matters.

Mr. VANDENBERG. If I tell the Senator I was there and know what I am talking about, he will agree that I properly stated the facts.

Mr. McKELLAR. I will not dispute the Senator's word.

Mr. VANDENBERG. Whether the Senator agrees or not, I have stated the facts.

Mr. HATCH. Mr. President—

The PRESIDING OFFICER (Mr. MURPHY in the chair). Does the Senator from Michigan yield to the Senator from New Mexico?

Mr. VANDENBERG. I yield.

Mr. HATCH. It happens that I am one of the Senators who appeared before the subcommittee which considered the five projects the Senator has mentioned.

Mr. VANDENBERG. The Senator means the five reclamation projects, not the five subsequent projects.

Mr. HATCH. I am talking about the Florida Canal project, the Passamaquoddy project, the Conchos Dam, the Sardis Dam, and the Bluestone Dam in West Virginia. I was present at the meeting of the subcommittee when the Senator from Michigan outlined his proposition.

The statement just made, that the sole argument was based on the fact that Congress had authorized the President to make certain allocations, and that therefore Congress was bound, is not altogether correct. Other arguments were advanced. The argument the Senator has repeated was made. It was stated before the subcommittee that the Congress in the 1935 Emergency Relief Act, a copy of which I hold in my hand, authorized the President of the United States to make certain allocations for reclamation purposes, for work on rivers and harbors, and various other projects, and other projects of that nature and kind. It was stated that, within the limitations set forth in that act, Congress having authorized the President, did itself authorize those projects when the President had acted.

Mr. VANDENBERG. That is all I am trying to say.

Mr. HATCH. That was done, and it was argued that the authorization was made "within the limitations of the act." I conceive that that argument is correct. When Congress especially authorizes an agent to do a thing, it acts through the agent, and it makes the authorization. But that was not the only argument.

Mr. VANDENBERG. If the Senator will pardon me, let me reclaim the floor for a moment at that point to thank the Senator for absolutely confronting the protest I am making. The Senator is now saying that it is his interpretation that when the President has acted under a delegated power to start one of these projects, that ipso facto validates the project, precisely as though it had been passed upon by Congress. I think that is the wrong way for Congress to handle its responsibility. On any such hypothesis the President could start a thousand permanent projects, involving ultimate billions. He could start them with \$1,000 apiece, and forthwith we would be bound to pursue them to a conclusion regardless of cost.

Mr. HATCH. "Within the limitations of the act." That was the statement I made.

Mr. VANDENBERG. Yes.

Mr. HATCH. But the point being discussed before the subcommittee, as I recall, was that a point of order could be made against this proposition, and rule XVI of the Senate was submitted in support of such point of order. On that point I merely wish to call the attention of the Senator to the first paragraph of rule XVI, the last sentence, which makes an exception to the rule, in these words, "or proposed in pursuance of an estimate submitted in accordance with law."

I call the Senator's attention to the fact that the projects, especially the one in which I am interested, and possibly it is

true as to others as well, was included in the estimates submitted by the Budget Director, and in accordance with law. A point of order clearly could not be maintained. That is the point to which I desire to call the attention of the Senator.

Mr. VANDENBERG. Mr. President, the only point I wanted to make was that I think there are some challenges to procedure under W. P. A. which rise entirely above any partisan consideration, which certainly are unrelated to any of the partisan instrumentalities which the Senator from Arkansas was challenging, and which the Senate cannot ignore. One of them, I repeat, is the question which is so frequently brought to the floor by the junior Senator from West Virginia [Mr. HOLT], which specifically personifies a general feeling regarding the political exploitation of W. P. A., which ought to be liquidated for the benefit of the W. P. A. itself. Of that I know very little. I think I do know something about these enormous projects, these enormous undertakings which are put not only upon this Congress but will be problems for the Congresses in the future, by commitments to great, long-time, permanent undertakings in the guise of temporary, present allocations from relief funds.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield, and I apologize to the Senator for not having yielded before.

Mr. O'MAHONEY. I desire merely to call attention to the fact that all these matters were laid before Congress at the time the specific appropriations were made. The provision in the Emergency Appropriation Act, to which the Senator from New Mexico [Mr. HATCH] alluded a while ago, was inserted, as I recall, upon the floor of the Senate, giving specific authority for the construction of reclamation projects and other projects; and when that authority was written into the law it was understood by the Senators then, and by Members of the House of Representatives, that the projects which would be undertaken were those projects which the Bureau of Reclamation and the Army engineers and other departments of the Government had under consideration at the time. So it seems to me that there can be no doubt that when Congress made the appropriation it made it with the specific intention that the President should inaugurate sound public works of the character of those which have been inaugurated.

With respect to the reclamation projects, I personally examined into the justification for some of them, though not of all of them; and with respect to those as to which I have examined I can say that I am perfectly well satisfied that they are excellent projects, that they should be carried out, and that the executive arm of the Government has made no mistake in carrying them out.

Mr. VANDENBERG. May I ask at that point whether the statement just made includes the Grand Coulee Dam?

Mr. O'MAHONEY. I have not examined into the Grand Coulee Dam.

Mr. VANDENBERG. I was sure the Senator had not.

Mr. O'MAHONEY. I was going to say that, had all the emergency funds been expended on works of this kind, which are permanent, substantial, public improvements, and allocations had been made only to P. W. A., and not to W. P. A., there would be no cause, not even the shadow of cause, for some of the criticism which has been made with respect to expenditures of public funds on W. P. A. projects.

There were two classes of criticisms: First, that the work which is being done is permanent and substantial and cannot be completed within a short period. The other criticism is that the work is too insubstantial and should not be undertaken at all. So we would be between two horns of the dilemma if this argument were good.

Mr. VANDENBERG. I think the Senator is between two horns of the dilemma right now unless he tells me that this survey he has made does not include the Passamaquoddy project and the Florida Canal project.

Mr. O'MAHONEY. I was interested in reclamation. I am not on the committee which deals with War Department appropriations. But I have observed, I may say to the Senator, that in all the criticism of the expenditures on

public works the project which is subjected to criticism is always one which is beyond the domain of the person who is making the criticism. If the Senator from Michigan should make the criticism with respect to expenditures for public works within the State of Michigan, I think possibly some greater attention might be paid to what he said.

Mr. VANDENBERG. Mr. President, I wish that some of this extravagance had been for the benefit of some of my Michigan constituents, if extravagance there must be; but I must plead that I cannot do what the Senator from Wyoming asks me to do because we have no chance to level such a criticism. There have been no targets at which to aim at. None of these W. P. A. major projects are allocated to Michigan.

I now conclude, Mr. President, what I undertook to say. First, that entirely outside and beyond the limited field of discussion which the able Senator from Arkansas submitted today there are at least two other fields which deserve serious consideration respecting W. P. A. One is the question of whether or not there is exploitation, and I leave it at that point without undertaking to say. The other is whether or not Congress wants to commit itself to this method of permitting permanent improvements to be conducted out of temporary emergency funds, with far-reaching decisions and commitments made solely by Executive discretion. This is a fundamental proposition in representative government.

Mr. HAYDEN obtained the floor.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER (Mr. ADAMS in the chair). Does the Senator from Arizona yield to the Senator from Arkansas?

Mr. HAYDEN. I yield.

Mr. ROBINSON. The Senator from Arizona is very kind, and I will not prolong the discussion indefinitely.

The Senator from Michigan complains that permanent projects have been undertaken under the Works Progress Administration, thus creating an obligation on the Government to proceed with them. He did not complain of that class of projects to which many of my remarks this afternoon were directed, and which have come to be known as "boondoggling." The fact is that by his statement the Senator has become one of the champions of boondoggling. He has expressed a preference for that class of projects which can be quickly accomplished in contradistinction to that class of projects which are of a permanent character and require a considerable period for their consummation.

The Senator complains that projects have been initiated that will require long time for completion.

I have been impressed with that feature of the Senator's statement. Nevertheless, much criticism has been directed by others at the administration because it did not choose all of the projects as of permanent character. I have heard that criticism made as frequently as any other. The question is asked, "Why not do something that will endure for other periods, something that the public will enjoy for a long time?" I make no complaint as to that criticism made by the Senator from Michigan. The authorities were forced to make choice of projects, and they did authorize allotments for projects which cannot be quickly completed. In doing that they probably met the standards raised by a large number of persons who have criticized the Works Progress Administration.

It is not easy to say just how prolonged work on a project should be before it can qualify under the Public Works Administration or the Works Progress Administration. It may be true that the approval of Congress should have been procured before certain projects were entered upon. But it is also true that no project can be undertaken without authority of Congress. The law does forbid expenditures on projects that cannot be quickly completed. The Senate and the House authorized a very large appropriation for work relief and charged the President with the responsibility of making the allotments controlling the expenditures and selecting the projects for the reason that the Congress did not

possess the information necessary to specify the projects. If the Senator from New Jersey [Mr. BARBOUR] had been required to name projects, he could probably have put to work on engagements which he regarded as wholesome in New Jersey one-tenth of the people who were unemployed in that State. And if I had been called upon to select projects, whether of a permanent or a temporary character, I could not have devised wholesome projects sufficient to provide for work for a material portion of the number in my State requiring it. On the whole, the task has been well done.

Now, with respect to the subject of politics. There were references to that in my previous remarks. The Senator from Michigan may not have heard them. From this investigation I have made there has been no effort, no willingness on the part of the President or the national authorities, to use these funds for political purposes. There may be instances in which others have sought to do that. It is perhaps natural that the attempt would be made. But from the information I have, the national authorities have been clean and free from abuses of that character, and, I respectfully suggest to the Senator from Michigan, have probably been as free from political influence from any source as would occur under any administration.

Mr. HAYDEN. Mr. President, I desire to confirm the statement made by the Senator from Tennessee [Mr. McKELLAR] concerning the care and the consideration which was given by the Senate Committee on Appropriations with respect to the appropriations for reclamation projects contained in the Interior Department appropriation bill. They were reported to the Senate on their merits without reference to allotments of public works or relief funds.

Again, in order adequately to meet the criticism made by the Senator from Michigan [Mr. VANDENBERG], by direction of the Committee on Appropriations, I was authorized to file a motion to suspend the rules and include in the bill the necessary authorizing legislation for all projects which had not heretofore been passed upon specifically by Congress. In what I have to say today I desire to refer to another public-works feature which I am sure the Senator from Michigan will find very little opportunity to criticize.

Mr. President, on February 12, 1936, the Senate approved a resolution which I introduced calling upon the Federal Emergency Administration of Public Works for certain information. The Administrator has complied with that resolution promptly by furnishing the Senate the information requested, including a list of all pending applications for loan-and-grant projects and all such applications which have been examined and for which no funds are now available. I believe that all Members of the Congress will be interested in this report, which on yesterday was ordered to be printed as Senate Document No. 183, Seventy-fourth Congress, second session.

What I intend to say today concerns not only the facts that the Public Works Administrator has presented in answer to the Senate resolution, but concerns itself with reviewing briefly the accomplishments of that branch of the national recovery organization.

The Public Works Administration, beyond question, has made a splendid record, especially in the field of what has become known as non-Federal projects, projects of States, municipalities, and other local public bodies. The reasons for this success are perfectly clear. In the first place, the projects which have been authorized and those which are still pending originated within the local communities themselves.

If a municipality, through its responsible officials or by a vote of its people, decided that it needed a schoolhouse it went to the Public Works Administration for that schoolhouse. If it was decided that an increased supply of water was more necessary or the extension of a sewerage system was a matter of more pressing local concern, the political subdivision applied for that. In other words, the need for the project, its type, and its cost have been questions for the local communities to pass upon, and nothing is done without their formal approval.

Generally speaking, the result has been that applications have been received from within virtually every county in the United States for useful and needed projects which the local communities themselves have been willing to build under Public Works Administration regulations and, by contract, have agreed to pay the major share of the cost. This is of importance from several standpoints, which I shall enumerate briefly.

First. Projects of the Public Works Administration are selected by the local communities.

Second. All such projects must pass rigid examination as to social desirability, economic and financial soundness, legality, and engineering feasibility.

Third. Construction of such projects is almost invariably done by contract with the lowest responsible bidder under open competition.

Fourth. Workers on such projects are paid the wages that prevail in the locality.

Fifth. The types of construction thus financed have resulted in a vast amount of indirect labor, an intangible benefit which, while difficult to record, nevertheless has actually occurred and is reflected in increased orders for equipment, materials, and supplies oftentimes placed in communities far removed from the site of the project itself.

I am informed that more than 60 percent of the public-works money thus far expended has gone for purchases of materials that have blanketed the country with indirect industrial and transportation employment far exceeding the direct employment given on construction sites where materials were used.

The records of the Public Works Administration show that approximately \$2,000,000,000 worth of stone, steel, cement, lumber, and hundreds of other building materials are being required to complete the thousands of projects which have been aided by allotments made by that Administration under the National Industrial Recovery Act of 1933 and the Emergency Relief Act of 1935.

Expenditures for materials up to February 1 of this year amounted to approximately a billion and a quarter dollars. These expenditures have been a major factor in the revival of the heavy industries where unemployment during the depression has been greatest. The manufacture of materials and equipment required to finish the Public Works Administration program as set forth in Senate Document 183 will help to sustain the heavy industries until complete recovery has been attained.

The latest available reports of the Bureau of Labor Statistics show that nearly \$600,000,000 worth of iron and steel products, including machinery and transportation equipment, have already been purchased for Public Works Administration projects, while industries furnishing cement, brick, stone, glass, gravel, and similar materials for Public Works Administration jobs have received orders amounting to \$328,566,000 and for lumber and forest products something in excess of \$59,000,000.

At least 70 percent of the money already spent for materials has gone directly into the pockets of the hundreds of thousands of men called back to work in mines, mills, factories, and on transportation lines throughout the country.

No one will dispute the fact that the Public Works Administration has been a potent factor in generally improved economic conditions. Not all of the increased employment in the durable goods industries can be attributed to the public-works program, but it is certain that a substantial part of the increase is due to the purchase of materials, equipment, and supplies that have gone into the thousands of schoolhouses and other public buildings, bridges, sewers, water systems, hospitals, municipal power plants, street and highway improvements, and other types of useful-works projects authorized by the National Industrial Recovery Act of 1933.

When the Public Works Administration program is considered it should be kept in mind that the local communities selected the projects and that they have borne and are bearing the major portion of the cost. All of the more than

2,000 non-Federal projects approved since the summer of 1933 originated with the local communities, and in every instance formal application for allotment was made to the Public Works Administration.

In the first public-works program the direct grant was 30 percent of the cost of labor and materials involved in the project; and the repayable loan was approximately 70 percent. Under the current Public Works Administration program the grant is 45 percent of the total cost, and the loan is 55 percent.

In connection with all such loans it is important to remember that the Public Works Administration came to the aid of local communities at a time when private capital could not, or would not, venture into the municipal bond market. I am advised that already \$341,500,000 worth of municipal and railroad bonds thus taken as security for construction loans have been sold at a profit to the Government of more than \$5,400,000.

These bonds represent a cross section of securities bought by the Public Works Administration ranging from a \$10,000 issue of the village of Blooming Prairie, Minn., to the \$41,600,000 bonds of the Chicago Sanitary District, acquired at a time when bankers and private investors were hesitant to buy similar bonds of that district at 80 cents on the dollar. The Public Works Administration, being satisfied after thorough analysis that the loan would be repaid, purchased the issue, thereby making possible the construction of sewage disposal plants to comply with the mandate of the United States Supreme Court in the Great Lakes water-diversion case. Some of the same bankers have just purchased these bonds from the Reconstruction Finance Corporation at 101, justifying the confidence of the Public Works Administration in the soundness of the loan. Had it not been for the assistance of the Public Works Administration this vital improvement could not have been started.

Similarly a loan of \$37,500,000 at 4 percent was authorized to the Port of New York Authority for a vehicular tunnel under the Hudson River. After a portion of the bonds was bought by the Public Works Administration, a banking syndicate was willing to finance the project, including repayment of the bonds purchased by the Public Works Administration on a basis more favorable to the authority. Examples could be multiplied, but time does not permit.

Senators know of projects which have been so financed in their own States—projects which were wholly unattractive to the private bankers, but which, after they had been analyzed and met the requirements of the Public Works Administration, aroused the interest of the same bankers, who have purchased the same bonds either before the Government consummated the loan or from the Government at a much lower interest yield than the bankers could have obtained originally.

There are millions of dollars of prime securities of the same kind still in the portfolios of the Public Works Administration and the Reconstruction Finance Corporation which investors might well look into when seeking an outlet for their funds. Wise investors are purchasing these sound 4-percent municipal bonds from the Reconstruction Finance Corporation in increasing amounts and the supply is limited in comparison with the billions of idle money deposited in banks.

These municipal securities, sold through the Reconstruction Finance Corporation, consist for the most part of obligations acquired by the Public Works Administration during a period when market conditions made their sale to others either impossible or prohibitively costly. Recipients of loan and grant allotments from that Administration have not only been permitted, but have been encouraged, to finance their loan requirements in the private-investment market, particularly when a rate equal to or more attractive than the 4 percent charged by the Public Works Administration is obtainable. Receipts from bond sales constitute a revolving fund from which other loans are made

for deserving projects. Only loans—no grants—are made from this revolving fund.

Experience indicates that the overwhelming majority of the loans so made will be repaid in full with interest, thus putting no burden on the Federal Treasury.

Many of the Public Works Administration projects are self-liquidating in the strictest sense of the word since they are payable wholly from the income they produce. Toll bridges, light plants, and other revenue-producing undertakings will pay for themselves out of earnings from the services rendered over a period of years and in the long run will contribute to the general funds of the municipality, thereby reducing the burden of property taxes and improving the credit structure of the local community.

Schools, hospitals, water, and sewer systems and similar serviceable facilities financed by public-works funds become public assets to the community in which they are located. Money invested in education and health is not wasted. Permit me to direct special attention to the Public Works Administration allotments that have been made for educational buildings, including college and secondary school buildings, libraries, and other educational structures. I have a summary which shows that allotments have been made for more than 3,000 educational projects, involving a total estimated cost of more than \$466,000,000. The grants amounted to \$119,790,321. The applicants raised \$346,468,118, either by borrowing from the Public Works Administration or elsewhere or by using funds on hand. As a result of this initiative by local communities and with this Federal help, the value of the Nation's school plants has increased almost a half billion dollars in less than 3 years.

Some further idea of the popularity of useful public works may be obtained from a recent survey of the results of bond elections where public-works projects were submitted to the voters.

A canvass made of every State showed that Public Works Administration projects received direct popular approval from the electorate in 83 percent of the proposals submitted at the polls. This was not any weekly magazine poll or any straw vote. More than 10,000,000 ballots of regularly registered voters were actually cast and counted with the result that as local taxpayers the voters assessed themselves to bear the major part of the cost of projects voted on in 2,166 out of 2,613 elections. In the 447 elections where the voters disapproved, the Public Works Administration immediately dropped further consideration of the projects. If projects were not worthy enough to receive the major portion of their financial support from local funds, that Administration has consistently refused to finance any part of them with Federal money. These figures are based on reports from the State directors who reported on all bond elections held in their States relating to projects in the current Public Works program.

The record shows that, out of the \$4,000,000,000 appropriated by Congress last April for relief of unemployment, the Public Works Administration received approximately \$328,000,000 for grant allotments. That Administration also made loans from its revolving fund amounting to approximately \$140,000,000, which will be repaid to the Government by the borrower. In addition to such loans, the local communities are putting up more than \$318,000,000 derived from other sources, so that the grant of \$328,000,000 through the Public Works Administration will result in total construction estimated at more than \$786,000,000. This is a striking example of the vast amount of direct and indirect labor that is created by this system of Federal Public Works grants.

As of March 2, the Public Works Administration under the current program has made allotments for 4,113 projects. Senate Document 183 shows that additional projects to the number of 6,801 involving grants of \$1,166,744,296, loans of \$1,492,332,772, and other contributions from the applicants amounting to \$459,821,332, are still pending before the Public Works Administration. The estimated total value of all non-Federal Public Works projects pending at the Public Works Administration is \$3,118,898,400. A further detailed

break-down of these pending projects by States, and their status, may be obtained from the Senate document to which I have referred.

Three years' experience has given the Public Works Administration a smoothly running and efficient central organization in Washington with branch offices in every State manned by competent engineers, lawyers, and finance examiners. In addition to the merits of the projects from an engineering and legal standpoint, any bond issue has to be financially sound to get approval.

Earlier delays were largely due to deficiency of statutory powers of local communities. These deficiencies have been corrected through legislation suggested by the President and drafted by the Public Works Administration at the request of the governors of the States. In my own State, for example, bills were submitted by Governor Moeur to the legislature which conferred broad powers upon cities and towns to borrow money and issue bonds, with appropriate safeguards against extravagance.

This State legislation eliminated technical difficulties which tended to impede the beginning of construction on public-works projects, and clarified the powers of cities and towns. One bill in particular authorized the issuance of bonds by cities and towns for the purpose of financing the construction of self-liquidating projects, the bonds being payable solely from the revenues of the projects without any recourse to taxation. Another bill authorized State educational institutions to borrow money for the purpose of constructing much-needed dormitories and similar revenue-producing improvements without any liability being incurred by the State. The Supreme Court of Arizona upheld the constitutionality of each of these measures, and public officials and the Arizona bar recognize these laws as substantial contributions to the public law of the State.

What Arizona did was followed in approximately 30 other States. Such States were thus in a better position to take advantage of the money appropriated by the Congress in the 1935 Relief Act. During last summer and early fall the States and their municipalities proceeded to file with the Public Works Administration about 12,000 applications for funds; but of these 12,000 applications the Public Works Administration has been able to finance only a few more than 4,000. About a thousand applications have been rejected, and there remain today nearly 7,000 projects which have either been approved or have not been disapproved by the Public Works Administration. There is no money now available for these sound and useful projects, and there never will be unless Congress provides the required appropriation.

States and municipalities went to considerable expense in preparing their applications, in retaining engineers and architects to draw plans and specifications. With the aid of the State laws that have recently been enacted, they are ready and willing to put up 55 percent of the cost of the projects. Unless Congress takes some action, these communities will be denied an opportunity to share the cost of the President's recovery program. These municipalities had a right to expect that if the projects for which applications were submitted met the high standards of social, economic, and financial desirability of the Public Works Administration, and complied with all legal and engineering requirements, Federal funds would be made available to aid in their construction.

The Federal Government is under a moral obligation to these communities which have attempted, without success, to cooperate in a Nation-wide public-works program in which they will let the contracts, they will construct the projects, and they will contribute at least 55 cents of every dollar spent. I am not speaking of any projects which are remote possibilities but of projects for which applications have been filed, for which blueprints are ready, and for which, in many cases, bonds have been voted. Without the aid of the Public Works Administration, these projects certainly will not be constructed at this time, when the problem of unemployment is still acute. Without such aid many of them will never be built.

Consideration should be given by Congress to ways and means of promptly financing the best of the loan and grant projects listed in Senate Document 183. In my opinion, this can be accomplished by an appropriation of not to exceed \$700,000,000, to be devoted exclusively to that purpose. That is about the amount of Federal funds which the Public Works Administration is best equipped properly and expeditiously to expend during the next 12 or 15 months. With that sum, over \$1,500,000,000 worth of construction can be accomplished.

There should be a short, concise bill enacted at this session of the Congress to enable the Public Works Administration to aid in the construction of those projects which are most useful and worthy. The Public Works Administration is the appropriate agency to supervise this work, just as the Bureau of Public Roads is the Federal agency best equipped to help the States in financing highway construction.

A law such as I have in mind would leave the Public Works Administration free to make rules and regulations which would not be inconsistent with the laws of the different States under which the projects are constructed. The act should contain but two limitations: First, that the prevailing rate of wages shall be paid on all such projects; and, second, that in the selection of labor, preference shall be accorded in the first instance to unemployed American citizens listed by the National Reemployment Service and residing in the community which is financing the project, regardless of whether or not they are on relief.

Under present regulations it is frequently impossible for a self-respecting American citizen who has struggled to keep off the relief rolls to obtain employment on a public construction job because of the preference which is given to those on relief. I fully realize that another Federal work-relief program is not only required but cannot be avoided; but, standing alone, it is not enough. Work relief must be supplemented by a public-works program of the character I am suggesting in order that our attack on the unemployment problem shall be coordinated and well balanced.

After caring for projects now approved or ready for early approval, it might be well to consider in any future public-works program the advisability of reducing the grant below 45 percent of the project cost, so that even more than 55 percent will be returned to the Federal Treasury. Congress might compensate municipalities in part for this reduction in the grant by lowering the interest rate on loans from 4 percent to 3 or 3½ percent, whichever rate is more desirable, in order to insure a lively market for the bonds which the Public Works Administration agrees to buy.

Considering the ultimate cost to the Federal Government, more substantial results can be accomplished under a Public Works Administration program than in any other way of providing work for the unemployed. For every dollar which must be finally repaid by Federal taxation there is expended at least \$2.20 for labor and materials, and oftentimes considerably more. Experience has shown that many municipalities contribute more than 55 percent of the cost of the project by putting up their own funds to meet unanticipated expense or to make more elaborate the original project.

My point is simply this: When the Government spends \$100,000 on some Federal project it gets no more than \$100,000 worth of work done; but when the Public Works Administration grants \$100,000 for a non-Federal project, such as a county tuberculosis sanitarium or a municipi-

pal sewage-disposal plant, it gets nearly a quarter of a million dollars' worth of work done. This puts more than twice as many men to work for the same final cost to the Federal taxpayer, not to speak of the resulting intangible social benefits to the local community as well as the tangible increase in its capital assets.

In conclusion, I desire to commend to Senators and to the American people the record which the Public Works Administration has established. That organization has demonstrated to the country that the money entrusted to it has been economically and honestly spent on projects of unchallenged worth. The expenditure of vast sums has been marred by no scandal. The organization undertook a tremendous task with vision and courage. The Public Works Administration has good reason to be proud of its achievements.

Mr. President, I ask leave to insert two tables at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

TABLE 1.—What P. W. A. has done to Feb. 1, 1936—N. I. R. A. and E. R. A. 1935 programs

P. W. A. has allotted funds for public works in 3,067 of the Nation's 3,073 counties for—	
15,553 Federal projects, costing.....	\$1,566,844,612
3,975 non-Federal projects under N. I. R. A., costing.....	1,361,730,590
4,119 non-Federal projects under E. R. A., costing.....	748,843,921
50 Federal low-cost housing projects.....	129,725,100
23,697 Projects costing (total).....	3,807,144,223
Status of these projects:	
16,233 projects completed, costing.....	1,083,047,483
3,959 projects under construction, costing.....	2,063,876,579

COST OF WORK UNDER CONTRACT

	Per- cent of total cost	Cost
On Federal projects.....	97.6	\$1,529,392,407
On non-Federal projects under N. I. R. A.....	89.9	1,224,544,910
On non-Federal projects under E. R. A.....	83.8	627,438,377
On Federal low-cost housing.....	95.2	123,547,100
Total.....	92.1	3,504,923,794

P. W. A. has spent:

For wages.....	\$639,887,583
For materials.....	1,223,490,655
Other expenditures.....	122,467,109
Total expenditures.....	1,985,845,347

EMPLOYMENT PROVIDED BY EXPENDITURES

	Average number men employed		Total man- months used to date
	1934	1935	
At site of construction.....	496,483	284,297	10,505,361
In manufacturing \$1,223,490,655 of materials (primary indirect).....	496,483	284,297	10,505,361
Demand for consumers' goods (secondary in- direct).....	992,966	568,594	21,010,722
Total.....	1,985,932	1,137,188	42,021,444

TABLE 2.—Summary of allotments for educational buildings under the original and present program, Public Works Administration, Jan. 31, 1936
ALLOTMENTS MADE UNDER EMERGENCY RELIEF ACT OF 1935

Type	Number of projects	Allotment			Amount raised by applicant	Total cost
		Loan	Grant	Total		
Educational buildings (total).....	2,130	\$56,670,950	\$126,831,944	\$183,502,894	\$100,963,598	\$284,466,492
Secondary schools.....	1,989	45,942,950	111,549,538	157,492,488	91,636,943	249,129,431
Colleges and universities.....	104	10,568,500	12,458,024	23,026,524	6,085,549	29,112,073
Other educational systems.....	17	57,000	2,095,429	2,152,429	2,505,482	4,657,911
Libraries.....	20	102,500	728,953	831,453	735,624	1,567,077

TABLE 2.—Summary of allotments for educational buildings under the original and present program, Public Works Administration, Jan. 31, 1936—Continued
ALLOTMENTS MADE UNDER NATIONAL INDUSTRIAL RECOVERY ACT AND DEFICIENCY APPROPRIATION ACT OF 1934

Type	Number of projects	Allotment			Amount raised by applicant	Total cost
		Loan	Grant	Total		
Educational buildings (total).....	964	\$63, 119, 371	\$49, 812, 138	\$112, 931, 509	\$68, 860, 438	\$181, 791, 947
Secondary schools.....	831	47, 940, 906	41, 378, 727	89, 319, 633	60, 754, 471	150, 074, 104
Colleges and universities.....	112	14, 916, 165	7, 550, 611	22, 466, 776	5, 935, 983	28, 402, 759
Other educational systems.....	5	161, 000	268, 000	429, 000	498, 907	927, 907
Libraries.....	16	101, 300	614, 800	716, 100	1, 671, 077	2, 387, 177
GRAND SUMMARY OF ALLOTMENTS FOR EDUCATIONAL BUILDINGS						
Educational buildings (total).....	3, 094	\$119, 790, 321	\$176, 644, 082	\$296, 434, 403	\$169, 824, 036	\$466, 258, 439
Secondary schools.....	2, 820	93, 883, 856	152, 928, 265	246, 812, 121	152, 391, 414	399, 203, 535
Colleges and universities.....	216	25, 484, 865	20, 008, 635	45, 493, 500	12, 021, 532	57, 514, 832
Other educational systems.....	22	218, 000	2, 363, 429	2, 581, 429	3, 004, 389	5, 585, 818
Libraries.....	36	203, 800	1, 343, 753	1, 547, 553	2, 406, 701	3, 954, 254

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1837. An act for the relief of W. W. Cook;

S. 2889. An act for the relief of the Bend Garage Co. and the First National Bank of Chicago;

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes; and

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

HOUSE BILL REFERRED

The bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, was read twice by its title and referred to the Committee on Finance.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. GORE. Mr. President, I am advised that the Senator from Tennessee [Mr. McKellar] desires to have the Senate proceed with the consideration of the Treasury and Post Office Departments appropriation bill. In order to facilitate that purpose, I ask unanimous consent that the unfinished business may be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 10919, making appropriations for the Treasury and Post Office Departments.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I shall have no objection, but I do not wish to have the consideration of the bill commenced this afternoon.

Mr. McKELLAR. It will not be commenced this afternoon. I desire to have the bill taken up, and that is as far as we shall go this afternoon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

EXECUTIVE BUSINESS

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment in the Regular Army.

The PRESIDING OFFICER (Mr. ADAMS in the chair). The reports will be placed on the calendar.

If there be no further reports of committees, the calendar is in order.

STEVE M. KING

The legislative clerk read the nomination of Steve M. King to be United States attorney, eastern district of Texas.

Mr. CONNALLY. Mr. President, I move that the nomination of Mr. King be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 11, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10 (legislative day of Feb. 24), 1936

UNITED STATES ATTORNEY

Steve M. King to be United States attorney, eastern district of Texas.

POSTMASTERS

ALABAMA

Agnes Bonds, Adamsville.

Violet A. Yeend, Chickasaw.

Hosea F. Downs, Clanton.

William E. P. Lakeman, Haleyville.

Louie Glenn Collier, Huntsville.
William B. Hardegree, Talladega.
Minnie L. Garrett, Uriah.

CALIFORNIA

Lois E. Walton, Monte Rio.
Marshall E. Walden, Newman.

FLORIDA

Joe Sidney Savary, Inverness.
Ethel L. Haddock, Newberry.

GEORGIA

Sara A. Sandifer, Locust Grove.
Marie E. Harrell, Pearson.
Nancy A. W. Griffis, Screven.
Etta Sneed Arnall, Senoia.
Pearl E. Hughs, Stillmore.
Moline Allgood, Temple.
Jesse W. Slade, Zebulon.

IDAHO

Elsie H. Welker, Cambridge.

IOWA

Hiram L. Mann, Adel.
Laurence E. Kucheman, Bellevue.
Allen Wise, Decorah.
Mabel J. Arnold, Garden Grove.
John Vanderwicker, Grundy Center.
Otis H. O. Nelson, Humboldt.
Wallace H. Blair, Lamoni.
Ernest H. Ross, Logan.
Kathryn D. Eden, Manning.
William B. Perkins, Seymour.

MARYLAND

Evelyn B. McBride, Street.

MISSISSIPPI

Cecil W. Tinnin, Isola.
Isaac M. Jackson, Iuka.
Roy S. Burroughs, Kosciusko.
Robert H. Redus, Starkville.
Charles M. Jaco, Winona.

MISSOURI

Birdie Lee See, Corder.
Earl L. Smithson, Exeter.
Roy Carter Hendren, Hamilton.
John Earle Lyons, Higginsville.
Elton C. Cook, Lathrop.
Kathryn Barry, Mendon.
John P. Martin, Monett.
Lula Young, Niangua.
Max L. Kelley, Steele.

NEW MEXICO

Ruth L. Thomas, Corona.

NEW YORK

Charles W. Dunn, Calcium.
Albert Werner, Gardenville.
Truman E. Brown, Wells.

SOUTH CAROLINA

Katie Lee McIntyre, Clio.
Fred L. Timmerman, Graniteville.
Dixon D. Davis, Greenville.
Oleda H. Garrett, North Charleston.

TEXAS

Maggie P. Rhew, Anderson.
Ella Bartlett, George West.
Ira S. Koon, Hallsville.
Nellie Magowan, Mathis.
Albert C. Finley, Meadow.
Otto V. Hightower, Odem.
Grover C. Stephens, Sierra Blanca.
Thomas C. Murray, Sonora.
Clara M. Bean, Van Horn.
James Mitchell Pittillo, Waco.

UTAH

Raymond F. Walters, Price.

WASHINGTON

Andrew H. Byram, Millwood.

WEST VIRGINIA

Howard E. West, St. Marys.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 10, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Master of eternal light and love, breathe upon our waiting souls and give courage and vision for this day. Teach us to lay hold on the duty of each hour that the bow of the morning may become the promise and prophecy of the evening. O God, this turbulent world, torn and battle-scarred through ages of greed and lust, is facing the barren desolation of war. O give it deliverance from the hands of pagan jealousy, distrust, and the chaff of disaster, which is the only bread that will be served its perishing soul. Almighty God, it needs not better machinery nor organization but better men and regeneration; O lift it up from its threatened barbarities and cruelties. Gracious Lord, be with our Speaker and the entire Congress. Endow them richly with good health, wisdom, and knowledge. Lead them on through the daylight for which our country and the world have been waiting. As a loving Heavenly Father, dwell in our homes as our guest and benefactor at our firesides. Give Thy abiding grace to the mind, soul, and body of our President. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with this week.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RICH. Reserving the right to object, Mr. Speaker, I would like to ask the majority leader in reference to the bills that are to come up. I understand we are going to have the appropriation bills and a couple of other small bills, but nothing is ever mentioned about the tax bill. Does the majority leader expect to have a tax bill on the floor of the House soon?

Mr. BANKHEAD. Of course the gentleman knows we are going to bring in a tax bill as soon as it can be properly considered.

Mr. RICH. The gentleman expects to have that?

Mr. BANKHEAD. Certainly.

Mr. RICH. I hope you will have a good one.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

SPECIAL COMMITTEE TO INVESTIGATE OLD-AGE-PENSION PLANS

Mr. BELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the immediate consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 443

Resolved, That the Speaker appoint a select committee of eight Members of the House and that such committee be instructed to inquire into old-age-pension plans with respect to which legislation has been submitted to the House of Representatives, and particularly that embodied in H. R. 7154 in the United States Congress, with special reference to the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension legislation

or schemes, and that such committee be further instructed to inquire into the history and records of the various proponents, operators, promoters, or schemers now engaged in promoting such legislation or schemes and to gather and collect all facts and information relative thereto which would not only be of public interest but which would aid Congress in enacting any remedial legislation upon said subject, including any lobbying and propaganda in connection therewith, and inquire into their various methods of raising and collecting money, and to examine their books, papers, and records, and to inquire as to the disposition, holding, spending, or appropriation of such moneys so collected. That said inquiry and investigation are material and necessary to the proper performance by Congress of its legislative functions and duty relative to the legislation hereinbefore mentioned and as an aid to such legislation. And the committee shall have the right to report to the House at any time the results of its investigations and recommendations for other or additional legislation upon said bill or any other proposed legislation relative to old-age pensions.

That said committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or adjourned; to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of said committee and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Resolved further, That in the event the committee transmits its report to the Speaker at a time when the House is not in session, as authorized in House Resolution No. 418, current session, a record of such transmittal shall be entered in the proceedings of the Journal and CONGRESSIONAL RECORD of the House on the opening day of the next session of Congress and shall be numbered and printed as a report of such Congress.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BELL]?

Mr. ZIONCHECK. Reserving the right to object, Mr. Speaker, would the gentleman from Missouri [Mr. BELL] explain the difference between this resolution and the resolution that was adopted by which we authorized the committee to conduct hearings and make an investigation of the Townsend movement and other old-age-pension movements?

Mr. BELL. Mr. Speaker, there is a paragraph added right at the end of this amended resolution providing for the method of filing the report. The chairman of the Committee on Accounts thought that should be added in order to clarify the manner in which the report is to be printed.

Then in the body of the resolution there is specific mention of H. R. 7184—or whatever the number of the McGroarty bill is. It was felt that would clarify the situation by specifically mentioning that bill.

Mr. ZIONCHECK. May I further ask this question of the gentleman from Missouri? It is the gentleman's understanding that I have filed petitions, but at no time have I expressed myself as being in opposition to the Townsend plan or like plans? Is that the gentleman's understanding?

Mr. BELL. As far as I know, that is correct. I do not know.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MASSINGALE. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Missouri whether or not there is any appropriation carried in this resolution?

Mr. BELL. Not in this resolution. There will be a separate resolution covering the appropriation.

The SPEAKER. Is there objection to the request of the gentleman from Missouri for the immediate consideration of the resolution?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

WORLD COTTON SITUATION

The SPEAKER laid before the House the following communication, which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1936.

The honorable the SPEAKER OF THE HOUSE.

DEAR MR. SPEAKER: There is submitted herewith, pursuant to House Resolution 430, a copy of the first draft of the World Cotton Situation, part II, Cotton Production in the United States, as mimeographed for reading within the Department. This copy has been marked to show all changes between this first draft and the report as issued February 1936. For convenience in comparison, changes in the original draft are marked with red. The inserts and substitutions are taken from a copy of the final report to show where and how they appeared in that report. The changes are listed in a typed summary, page by page. A copy of the final report as issued is also attached.

Sincerely yours,

R. G. TUGWELL,
Acting Secretary.

The SPEAKER. Under the special order of the House the Chair recognizes the gentleman from Pennsylvania [Mr. STACK] for 15 minutes.

Mr. STACK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a short letter I just received this morning in relation to my record on labor legislation during my time in Congress.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker, ladies and gentlemen of the House, I am loathe to trespass on the valuable time of the House concerning my picayune difficulties with the usurpers of the Democratic leadership back home. If it were only I that were involved, I would not do so, but my constituents in the district are also involved.

Coming home from church last Sunday morning a friend of mine handed me a copy of the Sunday Morning Inquirer, that mouthpiece of Republicanism and Toryism in Philadelphia. He called my attention to an article written by John M. Cummings captioned "Psychological Aspects of McCloskey-Stack Feud", which said, among other things:

Mr. McCloskey is said to have a few other counts in his indictment. For one thing, the Congressman, because he performed so well in voting for administration measures, was able to grab off a few jobs for friends on his own account.

That got under the skin of Senator GUFFEY; and if there's anything that irritates GUFFEY more than the allotting of patronage without his knowledge or consent, it hasn't been discovered. So the Senator stands behind McCloskey in the demand for STACK's scalp.

STACK got the goat of the whole Democratic outfit the other day. When he received word that he had been tagged for political execution, he added his name to the list of Members demanding release of the Frazier-Lemke bill from committee. That constitutes his first and only offense against the orders of the President.

Mr. Cummings in his article, inadvertently or otherwise, has digressed from the truth in what I have just read for you. First, he said "STACK got the goat of the whole Democratic outfit the other day", and so forth.

I did not know that we Democrats had a goat that could be gotten. I thought we had a donkey. [Laughter and applause.]

Second, he erred when he said that I did not sign the Frazier-Lemke petition until I was "tagged for political execution", and so forth. That is not so. I signed the Frazier-Lemke petition long before my so-called political execution.

And thirdly, he erred—and I think, ladies and gentlemen, you will agree with me—when he said that my signing of the Frazier-Lemke petition was my "only offense against the orders of the President."

I never heard our President give those orders. Did any of you ladies and gentlemen here in the House hear him give those orders? If so, for my sake, and for the sake of the Frazier-Lemke bill, tell us. My first offense against the so-called orders of the President was when, fortified by a campaign pledge, I voted for the bonus and voted to override the President's veto.

My second offense, and, I believe, my only other offense, was when I refused to vote on the administration's banking bill the last session. I did this because in that bill I did not think our President lived up to the promise he made to you and to me and to the people of the United States and to the

world, when he was inducted into office on March 4, 1933, when he said he would chase the money changers out of the temple.

Again quoting Mr. Cummings' article, which is a very well written article, you will agree, I would like to ask at this point unanimous consent to have it inserted in the RECORD because I think you will all enjoy reading it.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ZIONCHECK. Reserving the right to object, who is this Mr. Cummings?

Mr. STACK. He is a political newspaper writer back home.

Mr. ZIONCHECK. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The article referred to is as follows:

PSYCHOLOGICAL ASPECTS OF M'CLOSKEY-STACK FEUD

By John M. Cummings

Some authorities, both in Europe and America, maintain that many of the ills with which the human race is afflicted can be traced quite definitely to a neurosis springing from an unhealthy psychosis. Others just as stoutly insist the reverse is true and support their contention with proof which, on the surface at least, looks plausible enough.

This latter school of thought prefers to place primary emphasis on the psychosis. Otherwise, it is argued, and leaving the neurosis out of consideration for the moment, the proposition, as stated, if carried to its logical conclusion, means, if it means anything, that there could be no haltosis, and that certainly would wreak untold havoc on the manufacturers of mouth wash.

The controversy between the advocates of neurosis and the proponents of psychosis has been going on for centuries. Herodotus, the father of history, in his immortal work, *The Battle of the Boyne*, tells us this very question plunged the Seminole Indians into such frightful internecine warfare that the tribe was split into two branches which to this day live in separate swamps in the Florida Everglades.

Jack Kelly, by the way is in Florida, but he's not living with the Seminoles. He likes the Tammany Tribe.

History is replete with instances of earthquakes, floods, and other untoward manifestations of Nature, due, in whole or in part, to the terrible consequences of this interminable argument.

Years and years ago a man named Schultz popped the question at the annual clambake and ox roast of the New Jersey Society of Psychologists in a picnic grove at the foot of Mount Vesuvius.

Heat engendered by the lively discussion that followed blew the top off the hill. Fire and brimstone were scattered for miles around, virtually ruining a couple of prosperous towns; and from the bowels of the earth there was belched the bones of citizens, many of them laid away with pomp and ceremony when the world was young.

It is worth recording here that when Napoleon set foot on the soil of France on his return from Elba March 1, 1815, his first question to a saluting gendarme was:

"Who's ahead—neurosis or psychosis?"

"Nuts," said the gendarme.

"Well said," said Napoleon.

Lack of space forbids further elaboration of well-authenticated historical instances in which neurosis v. psychosis has played a prominent part in shaping the destinies of mankind. These few facts are set down here not with any intention of parading the profound knowledge with which this department is crammed but merely to emphasize it is no small, mean, or paltry issue that has split the Democrats of West Philadelphia just as you would cleave a hard-boiled egg with a hatchet.

Old men stroked their whiskers and young men scratched their heads a few days back when Matthew H. McCloskey astounded the world by announcing MICHAEL J. STACK is to be denied renomination for Congress on the Democratic ticket. No one could figure what it was all about.

To begin with, Mr. McCloskey is not an official of the Democratic Party. Neither is he a resident of the district which Mr. STACK represents at Washington.

But here was Mr. McCloskey, blandly and with no apparent effort to conceal his assurance, telling Mr. STACK his days as a Congressman were numbered.

Mr. STACK didn't like that. He expressed his displeasure to many people. He even told Mr. McCloskey he didn't like it. He went further and said he wasn't going to take to the woods on the mere say-so of Mr. McCloskey.

The Congressman protested he has been voting for everything demanded by President Roosevelt, even to the "death sentence" in the defeated utility bill. He wanted to know what a Congressman had to do to maintain his standing as a Democrat.

Nobody seemed able to answer that question.

Now it comes out that Mr. McCloskey belongs to the school of psychologists that places neurosis before psychosis, and that Mr. STACK is enrolled in the school that gives psychosis priority over neurosis. At least that's the best explanation that has been offered so far.

Thus it would appear the match that touched off Vesuvius, the issue that split the Seminole Indians, and the question that was on Napoleon's tongue when he returned from Elba now rises to plague the Democrats in the region beyond the Schuylkill.

Mr. McCloskey is said to have a few other counts in his indictment. For one thing the Congressman, because he performed so well in voting for administration measures, was able to grab off a few jobs for friends on his own account.

That got under the skin of Senator GUFFEY, and if there's anything that irritates GUFFEY more than the allotting of patronage without his knowledge or consent, it hasn't been discovered. So the Senator stands behind McCloskey in the demand for STACK's scalp.

STACK got the goat of the whole Democratic outfit the other day. When he received word that he had been tagged for political execution he added his name to the list of Members demanding release of the Frazier-Lemke bill from committee. That constitutes his first and only offense against the orders of the President.

These, of course, are mere political phases of the West Philadelphia situation. Most people prefer to believe Mr. McCloskey and Mr. STACK drifted apart because of a difference of opinion on the neurosis-psychosis issue.

Again quoting from Mr. Cummings' article:

Mr. STACK didn't like that. He expressed his displeasure to many people. He even told Mr. McCloskey he didn't like it. He went further and said he wasn't going to take to the woods on the mere say-so of Mr. McCloskey.

The Congressman protested he had been voting for everything demanded by President Roosevelt, even to the "death sentence" in the defeated utility bill. He wanted to know what a Congressman had to do to maintain his standing as a Democrat.

Nobody seemed able to answer that question.

My dear Mat, in the name of the decent people west of the Schuylkill to the county line, and from Overbrook and Wynnefield to the municipal airport in Eastwick, which is now being constructed by W. P. A. funds, I shall answer the question for them and accept your challenge to drive me out of Congress.

My dear Mat, for your information the days of Matt Quay, Boies Penrose, Jim McNichol, and Bill Vare have gone forever in my district. I do not think the people in my district will stand for slate-making behind closed doors and vote for whomsoever you may wish. You did not want me down here in Congress in the first place, Mat. You opposed me last May a year ago in my own ward when you sent your henchmen, Jim Shields, Turk Connolly, and others to defeat me. You remember well, Mat, the methods you used. But the people of my district, God bless them, want me, and the result then showed they wanted me. I feel satisfied they want me now, also my associates who are running for office with me.

They appreciate the fact that I am trying to be of service to them; and, after all, that is the only way and the best way that I know how to represent them. They appreciate the fact that I am in my office here in Washington every day until 8 or 9 o'clock at night. They appreciate the fact that I go home every week end and sit down in my little office and listen to their trials and troubles. They appreciate the fact that I am trying to take care of all the unemployed in my district regardless of party or politics.

Well, now, Mat, if you do not like that kind of a Congressman, it is too bad. But I do not think you can do anything about it, for I am satisfied that when the smoke of battle is over next April 28 that I will be renominated, and every candidate from the Schuylkill to the county line and from Overbrook and Wynnefield to the municipal airport in Eastwick associated with me will also be nominated.

My dear Mat, as a veteran who fought and bled for his country, I am interested in the veterans because I know their needs. As a veteran who was signally honored by his country and your country, I have taken care of some 800 actual veteran cases in the short time that I have been down here.

My dear Mat, do you not like my 100-percent labor record? Well, I do not think it will make any difference, for organized labor will answer that question for me and for you at the polls April 28.

Do you not want me down here because of my record for postal employees, and particularly the substitute post-office employees? They, too, will answer that question for you, because they have benefited directly by my work down here. And now, Mat, you really are not against me personally; I think you are just a wee bit afraid of me.

Mr. Speaker, in my district there is under construction a municipal airport financed by W. P. A. money—your money, my money, the people's money—and if you please, I am directing my remarks at this point to the Honorable Harry Hopkins, National Administrator of the Works Progress Administration, and to Mr. Ed Jones, Pennsylvania State Administrator of the Works Progress Administration, to please not let Mat McCloskey and his henchmen try to club the W. P. A. workers into voting for whom Mat McCloskey wants them. I am also asking those gentlemen to please not to show political favoritism to the new workers that are now being hired in the airport.

Mr. MORITZ. Mr. Speaker, will the gentleman yield?

Mr. STACK. I yield.

Mr. MORITZ. I want to say that the gentleman from Pennsylvania has made a very fine record in Congress—even voted for the utility-bill "death sentence", which some of the "big shots" of the Democratic Party did not do.

Mr. STACK. I thank the gentleman for his contribution. I voted for these recovery measures and the relief measures, and, as a Democrat, I am telling you right now that I know no party lines when it is a question of suffering and want. I am hoping that the people, the decent people of my district, who, through no fault of their own, are hungry and without jobs, will be given help through the W. P. A. [Prolonged applause.]

Mr. Speaker, I wish to read the letter to which I referred earlier in my remarks setting forth my legislative record on measures of interest to labor.

WASHINGTON, D. C., March 2, 1936.

HON. MICHAEL J. STACK,
Member, Sixth Congressional District of Pennsylvania,
House Office Building, Washington, D. C.

DEAR MR. STACK: I herewith submit your legislative record on measures of interest to labor as compiled by the legislative department of the American Federation of Labor:

Pennsylvania, Sixth Congressional District, Representative Michael J. Stack, Democrat, residence, Philadelphia

Seventy-fourth Congress:

	Attitude toward labor
Apr. 19, 1935: Passage of Social Security Act.....	Favorable.
July 17, 1935: Vote on Clark amendment to security bill introduced in Senate to kill the measure.....	Favorable.
July 17, 1935: Instructing House conferees to continue opposing Clark amendment to security bill.....	Favorable.
Aug. 19, 1935: Vote on passage of Guffey-Snyder coal bill.....	Favorable.
Favorable to labor.....	4
Paired favorable to labor.....	0
Unfavorable to labor.....	0
Paired unfavorable to labor.....	0
Not voting.....	0
Answered "present".....	0
Total.....	4

The Wagner-Connelly Act is not listed above because it did not require a roll-call vote in the House. We have observed that you voted favorable to labor against all amendments introduced which would have destroyed the rights of labor to organize and bargain collectively with their employers. Your support of the bonus bill was also commendable.

We of labor, judging from your past performances, have confidence in you to continue this grand labor record, so that all the millions of working men and women of this Nation will benefit by your courage and devotion in giving expression to your principles to support constructive labor legislation.

Your constituents should be well proud of your achievements during this unemployment crisis, to be recorded with a 100-percent labor legislative record in the past Congress.

With best wishes for success, I remain,

Sincerely yours,

JAMES M. MYLES,
Vice President, Legislative Representative.

[Here the gavel fell.]

TO COMPLETE RECORDS AND OPERATIONS UNDER THE TOBACCO,
COTTON, AND POTATO ACTS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 514, authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935—repealed—and making funds available for those and other purposes.

Mr. TABER. Mr. Speaker, I think under the circumstances the resolution ought to be reported in full before

we take up the question of its consideration; and I make the reservation of the right to object to ask that the Clerk read it.

The SPEAKER. The Clerk will read the resolution.

The Clerk read as follows:

[H. J. Res. 514, Rept. No. 2144, 74th Cong., 2d sess.]

Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes

Resolved, etc., That not to exceed \$1,068,825 (to be available until Sept. 1, 1936) of the appropriation of \$296,185,000 for "Payments for Agricultural Adjustment" contained in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public Act No. 440, 74th Cong.), may be used by the Secretary of Agriculture for the following purposes:

(1) So much as may be necessary, not to exceed the sum of \$1,026,000 (notwithstanding the repeal by Public Act No. 433, 74th Cong., of Public Law No. 483, 73d Cong., as amended, known as the Kerr Tobacco Act, and Public Law No. 169, 73d Cong., as amended, known as the Bankhead Cotton Act of 1934, except sec. 24 thereof, and secs. 201 to 233, both inclusive, of Public Law No. 320, 74th Cong., known as the Potato Act of 1935), for the redemption of tax-payment warrants as provided in such Kerr Act, including administrative expenses necessary therefor; for salaries and administrative expenses incurred on or before February 10, 1936, under such three acts, or sections of acts, repealed; for such personal services and means in the District of Columbia and elsewhere, including rent, printing and binding, travel, and other administrative expenses incurred after that date as the Secretary of Agriculture and the Commissioner of Internal Revenue, respectively, deem necessary, in order expeditiously to complete and preserve all of the administrative records showing the various transactions and activities involved in the administration of such acts; and, if no other funds are available, for such salaries and administrative expenses as were incurred on or before February 10, 1936, in the operation of the several cotton tax-exemption certificate pools established pursuant to regulations prescribed under said Bankhead Act, and such salaries and administrative expenses thereafter incurred as the Secretary of Agriculture finds to be necessary for the purpose of completing the work relating to and liquidating, as soon as may be, such pools.

(2) So much as may be necessary, not to exceed the sum of \$42,825, for salaries and necessary administrative expenses, to complete the work of auditing vouchers and payment of freight bills in transactions entered into by the Secretary of Agriculture with relation to the purchase and sale of seed as a result of the allocations to the Secretary of Agriculture authorizing the purchase and sale of seed made pursuant to the Emergency Appropriation Act, fiscal year 1935.

The Secretary of Agriculture shall transfer to the Treasury Department, out of the funds made available by this joint resolution, such sums (not to exceed a total of \$175,000) as are required for the Bureau of Internal Revenue to carry out the above-stated purposes.

Sec. 2. The sum of \$453,100 of the appropriation of \$296,185,000 referred to in section 1 hereof shall be returned to surplus immediately upon the enactment of this joint resolution.

With the following committee amendment:

Page 3, line 9, after the word "expenses", insert "in the District of Columbia and elsewhere."

Mr. TABER. Mr. Speaker, further reserving the right to object, I think the chairman of the Committee on Appropriations ought to explain the resolution briefly before consent is given for its consideration.

Mr. BUCHANAN. Mr. Speaker, this is a resolution making available \$1,068,825 for the purpose of winding up the Bankhead Cotton Act, the Kerr-Smith Tobacco Act, and the Potato Act. You will recall we enacted a law repealing these three acts on February 10, 1936, but we did not pass legislation authorizing the winding up of outstanding affairs under these acts and the payment of any salaries that had been earned but not paid. We left the whole thing up in the air. There are now several thousand people who worked in the field under these acts who have not been paid from November 15 to February 10, the date on which the acts were repealed.

The major part of this money is to pay these earned salaries that are honestly due these people for labor performed for the Government and to settle other due obligations.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BUCHANAN. Yes.

Mr. SNELL. It was given out to the country through newspaper reports, I understand, that nothing special had been done toward enforcing the Potato Act. Can the gentleman inform us as to how many men were employed under the provisions of the Potato Act?

Mr. BUCHANAN. Yes; something was done to enforce the Potato Act. For several months they tried to enforce the Potato Act, or tried to administer the Potato Act, but those months were not during the season for the sale of potatoes. The revenue coming from it was infinitesimal. It will be remembered that the Committee on Appropriations brought in a bill to make temporary provision for administration of the Potato Act, but the House knocked it out. Something was done under that act. This appropriation carries only \$11,000 for clean-up under the Potato Act.

Mr. SNELL. Is that all that has ever been expended in connection with carrying out the terms of that act?

Mr. BUCHANAN. No; there was some expenditure theretofore, when the act first went into effect and prior to the time Congress convened this session, but not much, because it was not the potato season.

Mr. SNELL. A small amount of money was spent during the last fall and summer under the Potato Act, was there not?

Mr. BUCHANAN. Yes.

Mr. SNELL. Can the gentleman give us those figures?

Mr. BUCHANAN. I do not have them with me, but I can find out for the gentleman.

Mr. SNELL. But there are practically none under it at the present time, as I take it from this statement.

Mr. BUCHANAN. None at all since February 10.

Mr. TABER. Mr. Speaker, if the gentleman will yield, I think the expenditures under the Potato Act down to the time we had our hearings on the supplemental bill ran about \$25,000. I do not attempt to give these figures accurately, but that is my recollection.

Mr. BUCHANAN. I will say to my colleague that the \$11,000 in this resolution for that act is for the liquidation of outstanding obligations, most of which was for printing the potato stamps.

Mr. SNELL. As I understand, practically all these people are to be retired immediately. Is that the idea of this resolution?

Mr. BUCHANAN. The idea is to wind up the activities under all three acts. Many of these employees in the field had to give bond for the proper handling of potato stamps, tobacco stamps, and tax-exempt certificates and exemption certificates for cotton. We must wind this up so these people can be discharged from their bonds.

Mr. SNELL. There will be no more field employees in connection with these acts after this date?

Mr. BUCHANAN. After the expenditure of this money there will be no more field employees.

Mr. SHORT. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, all three of these acts were a part of the original A. A. A.

Mr. BUCHANAN. No. They were separate acts.

Mr. SHORT. But under the A. A. A. program?

Mr. BUCHANAN. It might be said under the New Deal program.

Mr. SHORT. Since the Agricultural Adjustment Act has been declared invalid by the Supreme Court, I understand 5,600 employees of that agency are still on the pay roll. This includes all of them, with the exception of possibly 1,000 that were laid off this morning.

Mr. BUCHANAN. It will be recalled that we passed an appropriation on February 11 appropriating \$296,185,000 for the liquidation of contracts that had been entered into under the A. A. A., where the farmers had entered into obligations, therefore there are men employed in the process of liquidating these obligations.

Mr. SHORT. I was asking the gentleman for information.

Mr. BUCHANAN. I am giving it.

Mr. SHORT. I want to know how many men were employed to administer these three acts who are still on the pay roll?

Mr. BUCHANAN. There are none on the pay roll under these specific acts. Everything has been suspended and stopped.

Mr. RICH. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understood it, the purpose of the A. A. A. was to curtail production. From May 12, 1933, to December 31, 1935, according to the crop report of the Department of Agriculture, the Government paid over \$250,000,000 to wheat growers to curtail the production of wheat, but the wheat acreage increased 17,577,000 acres. There was a similar increase in tobacco acreage of 187,700 acres, and in cotton 402,000 acres. Why did the A. A. A. so miserably fail? It was a mighty fine thing that somebody stopped this worthless expenditure of funds to accomplish certain things when it did just the opposite.

Mr. BUCHANAN. The farmers of the Nation do not think the A. A. A. failed.

Mr. Speaker, there is one more item in this bill. Under the emergency appropriation granted to the President he made an allotment to the Secretary of Agriculture for the purpose of buying seed grain with which to supply drought-stricken areas. Under this allotment there was bought about \$19,000,000 worth of seed, including wheat, corn, flax, oats, sorghum, and so forth. This seed was distributed, and in distributing it grain elevators were employed as agents. There were 2,200 grain elevators so utilized. The grain was in the grain elevators. There was a charge for putting the grain in the elevators and taking it out of the elevators and there are freight bills to be paid. The fiscal year has passed and the money with which to wind up this act is not available. The Comptroller General has ruled that the money is not available. Therefore there is money due for the shipment of this grain by the railroads, and so forth. These accounts have not been audited, and they must be audited and straightened out. There is \$42,000 provided for that.

There is one more feature connected with this resolution about which I should speak. When the matter first came up the Department estimated that it would take \$1,521,925 for these purposes. As the result of the committee's hearings, we ascertained that \$1,068,825 would be sufficient. This was accomplished by a revision of the amounts for the Department of Agriculture and the Bureau of Internal Revenue, reducing the total by \$453,100. This amount, by the terms of the resolution, will be taken away from the appropriation and carried to surplus. The committee felt that if \$1,521,925 could be spared from the \$296,185,000 that whatever part of the \$1,521,925 that was not needed for these purposes should be saved, and we so provided. The Secretary of Agriculture, in a letter printed in the hearings, said that the \$296,185,000 was sufficient to cover the \$1,521,925, as well as to cover the other purposes for which it was appropriated.

This covers generally the entire situation.

Mr. Speaker, there is an amendment to the joint resolution, and I ask for a vote.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 9, after the word "expenses", insert "in the District of Columbia and elsewhere."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1837. An act for the relief of W. W. Cook; and

S. 2889. An act to authorize settlement, allowance, and payment of certain claims.

The message also announced that the Senate had ordered that the Secretary be directed to notify the House of Repre-

sentatives that the Senate is now organized for the trial of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida; also that a summons to the accused be issued as required by the rules of procedure and practice in the Senate when sitting for the trial of the impeachment against the said Halsted L. Ritter, United States district judge for the southern district of Florida, returnable on Thursday, the 12th day of March 1936, at 1 o'clock in the afternoon.

PENSIONS TO WIDOWS AND ORPHANS OF WORLD WAR VETERANS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I want to call the attention of the Members of the House to H. R. 11715, which I have introduced. This bill provides pensions to widows and orphans of World War veterans regardless of the cause of the veteran's death. We have a large number of border-line cases whose dependents, under existing law, cannot participate in any pension or allowance benefit.

This benefit has by the Congress heretofore been given to the dependents of Spanish-American War veterans and to the veterans of other wars. I believe it is now time for the Congress to favorably consider this relief for the dependents of deceased World War veterans.

Under existing law, for the widows and orphans of World War veterans to obtain compensation or pension benefits the veteran must die either from service-connected disability or at the time of his death be receiving service-connected compensation in the degree of 30 percent or greater.

Recently in my district we have had several very pathetic cases where the veteran died while not receiving service-connected compensation, and where under existing law the Veterans' Administration is unable to allow service connection as the cause of the death of the veteran. These widows and orphans are left without pension or compensation or support.

It has now been 17 or 18 years since the close of the World War, and I believe that it is only fair and just that this bill should be enacted providing for these benefits. The particular necessity for it has been increased during the past depression years, when so many widows and orphans have been placed in dire financial need.

During the Seventy-first Congress I introduced a bill similar to H. R. 11715, and the House of Representatives later passed the substance of this bill, but it did not pass in the Senate. Practically everyone agrees that this legislation is just and should be reenacted, and I hope my colleagues will cooperate for its immediate enactment before the Congress adjourns.

There is also pending H. R. 9164 which I introduced and which would reestablish the disability allowance for disabled World War veterans. This would give pension to those who are disabled, not service connected, to a degree less than 100 percent. For 25-percent disability they would be allowed \$12 per month; 50 percent, \$18; 75 percent, \$24; and for total disability not service connected they would be allowed \$40 instead of the \$30 which is now received under existing law.

Mr. Speaker, I believe we should reestablish this allowance. There are a large number of World War veterans today who are disabled less than 100 percent and now existing on W. P. A. and other Federal relief-works organizations. I believe it is not only economy but justice that we reenact this disability allowance act which was repealed in 1933.

There are a large number of border-line cases where the veteran has less than 100-percent disability and where evidence has been submitted purporting to establish service connection, but it has been held by the Veterans' Administration not sufficient to allow service connection of disability. This bill would allow pension in such cases providing the veteran has 25 percent or greater disability. Practically all border-line cases would be taken care of through the passage of this bill. In addition to border-line cases, all vet-

erans who are disabled 25 percent or greater from any cause would share in these small benefits. Veterans of other wars have been given, in the due course of time, disability pensions regardless of the service connection of such disability, and I think it only fair and just that we should pass at this session of Congress this bill. I urge the cooperation of my colleagues for passage before adjournment.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 437.

The Clerk read as follows:

House Resolution 437

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is an open rule for the consideration of the bill H. R. 11365, pertaining to income-tax returns.

The Rules Committee gave two hearings on it and heard not only the members of the committee but representatives of the Treasury Department. As explained to us, when in the last session we repealed the pink-slip law, there was inserted in that bill in the Senate, and agreed to by this House, a provision permitting State and local taxing authorities to inspect the returns of taxpayers on application to the Governor or the State taxing commission for the purpose of checking taxes in their own communities. That bill as passed provided for the issuance of regulations of the Internal Revenue Bureau requiring copies of income-tax returns to be filed. On the blanks sent out this year, both on the original and the duplicate or green sheet, it is stated at the top, "A copy must be filed." It was found there was no penalty in case a duplicate or copy was not filed and that some taxpayers were not filing the duplicate, and that some organizations even were advising taxpayers not to file the duplicate.

The Treasury Department and the Committee on Ways and Means convinced the Rules Committee that the best interests of the Government required the filing of a duplicate return and that it was not an imposition on the taxpayer. I may say we started out in the Rules Committee a little reluctant to grant the rule for the consideration of this bill, until we were finally convinced that the best interests of the Government required that we do so. We were told that of the 6,000,000 returns which will be filed this year, as estimated, about two and a half million are sent to Washington, they being the returns on incomes over 5,000. About 750,000 of these returns are then sent into the field for investigation. About 400,000 are investigated each year, and there is only 1 year in which to investigate them, because another income tax comes along a year later. It is estimated that by reason of this investigation the Government receives \$300,000,000 a year in additional taxes. If the local taxing authorities were entitled to inspect the return and there was only one copy, this would interfere with the investigations in the field and the collection of this additional tax for inspection, as the original returns would have to be retained; whereas, under the regulation requiring a duplicate copy, the copy may be kept in the local collector's office and the originals of the larger returns sent to Washington.

By this procedure there is no interference with the operations of the Commissioner of Internal Revenue. The Treasury informed us that if they did not have the advantage of this duplicate return, they estimated the Government would lose about \$100,000,000 in taxes a year. After

thoroughly considering the matter and after taking into account whatever little added burden there was on the taxpayer to make out a duplicate return, the Rules Committee decided that this \$100,000,000 of possible loss to the Government was worth while saving and that the average taxpayer could not complain of the necessity of making out a copy of his return.

The penalty involved is minor. In case of failure to file such a duplicate return the individual is assessed \$5 and a corporation \$10, but this penalty is not inflicted until the Commissioner has given notice and 15 days in which to file the copy, if it has not been filed with the original return.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. Is there not a criminal provision still on the statute books?

Mr. O'CONNOR. There is a criminal provision on the statute books—section 145 of the Revenue Act of 1934—under which, in case of failure to file a copy, the taxpayer can be convicted and sentenced to 1 year imprisonment or a fine not in excess of \$10,000, or both. Of course, it is obvious that on failure to file a copy, if the Treasury Department attempted to enforce that penalty, it would be very cumbersome and might even be unpopular. [Laughter.] They have that right of punishment now, but they want this lesser penalty; and they figure, as they told us, that if the taxpayer prefers to pay the \$5 rather than file a copy, the \$5 will go toward the expense to the Treasury of making a copy for the purposes indicated.

Mr. SNELL. While you are straightening out the matter, if you say you cannot impose the other penalty, why did you not repeal it?

Mr. O'CONNOR. That was not suggested. I suppose that is one of the hundreds of laws, blue laws and red laws, on the statute books which has never been enforced, but some day some industrious Representative in Congress will sit down and tabulate them and offer a bill repealing them.

Mr. SNELL. Why did you not do the whole thing at one time?

Mr. O'CONNOR. That was not suggested to the Rules Committee, and, of course, we have no jurisdiction to legislate.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman from New York yield on that point?

Mr. O'CONNOR. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. I should like to invite the gentleman's attention to the fact that section 145 of the Revenue Act, which contains the penalty provision mentioned here, also relates to many other phases of failure to comply with the internal-revenue law, and does not relate to this one instance alone.

Mr. SNELL. Could you not have excepted this provision when you were drawing this new law?

Mr. COOPER of Tennessee. That is the practical effect and purpose of this bill.

Mr. DONDERO and Mr. MAY rose.

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. DONDERO. What will happen to the taxpayer who has already filed his return, but failed to file a duplicate?

Mr. O'CONNOR. He will be notified that he must file a copy within 15 days or pay a penalty of \$5. If he wants to save the \$5, he can go to the collector's office and copy his return and file the copy.

I now yield to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. The gentleman has answered the inquiry that I had in mind.

Mr. O'CONNOR. Mr. Speaker, in connection with income taxes imposed on corporations and referred to in the resolution under discussion, on March 3, 1936, following the message of the President relating to taxes, I introduced H. R. 11589, relating to the taxation of corporate surpluses. That bill was similar to bills introduced by me in the Seventy-second and Seventy-third Congresses.

Today I have introduced H. R. 11714, a bill for the same purpose, to correct some errors in H. R. 11589.

THEORY OF CORPORATE SURPLUS TAX

The proposal to levy a special tax on the surplus incomes of large corporations is based on the following facts and principles:

First. Income taxation to promote prosperity: Taxes on net income—unlike customs duties and sales taxes—do not burden industry or increase the cost of doing business, but rather tend to promote and stabilize prosperity.

Particularly an income tax puts a brake on the over-expansion of productive facilities and at the same time keeps money in circulation and enlarges the buying power of the general public, thereby counteracting the tendency of production to outrun the purchasing power of consumers.

Second. Accumulation of corporate surpluses: The beneficial influence of the income tax is offset in large measure, however, by the fact that wealthy individuals are taxed at much higher rates than corporations without adequate credit for the taxes already paid by the corporations upon income distributed in dividends.

This penal and double taxation upon distributions of corporate income reinforces the human tendency of professional corporate managers to withhold from the stockholders and keep under their own control the wealth represented by corporate earnings. The obvious remedy is to increase the tax rates on corporate incomes.

Third. Dividend credits to stockholders: Such an increase, however, is practicable only if accompanied by reasonable exemptions to avoid hardship and injustice to small concerns and by proper credit to stockholders for taxes which their corporations have already paid upon the income represented by dividends.

Fourth. Credits for taxes paid to States: Moreover, our States and municipalities are rapidly reaching an impasse on account of the inadequacy and burdensome character of property and excise taxes.

The allowance of a credit against the Federal estate tax for the inheritance taxes paid to the States has been of substantial assistance to the States, and similar credits for income taxes paid to the States by corporations and individuals would go far toward solving the fiscal problems of the States.

It is submitted that any program for the solution of the general tax problem should therefore at least make a beginning in the way of providing such credits.

It now develops that individual incomes are being severely diminished by dividend reductions, and that by use of arbitrary accounting methods our corporations are reporting much less than their actual incomes. The apparent sources of income-tax revenue have therefore dried up to an extraordinary extent, far beyond the shrinkage of actual incomes even in a period of depression.

Current asset position of 313 corporations as of June 1932: It is a striking fact that net current asset positions of our large corporations are in most instances unimpaired, notwithstanding heavy losses shown in recent income statements. Thus a compilation by Standard Statistics Co. with reference to 313 leading industrial corporations showed current assets in the ratio of 6.5 to current liabilities at the end of 1931 as compared with 5.8 at the end of 1930 and 4.6 at the end of 1929. This compilation showed greater shrinkages in current liabilities and in inventories than in other current assets, the detailed figures being as follows:

Dec. 31.....	1931	1930	1929
Inventories.....	\$2,757,830,000	\$3,320,950,000	\$3,701,570,000
Other current assets.....	3,500,120,000	3,785,130,000	4,125,840,000
Total.....	6,257,950,000	7,106,080,000	7,827,410,000
Current liabilities.....	967,790,000	1,228,990,000	1,707,880,000
Total.....	5,290,160,000	5,877,090,000	6,119,530,000

Similarly a recent survey by Moody of 334 leading industrial corporations shows that in the 2 years 1930 and 1931 the ratio of current assets to current liabilities has risen from 4.8 to 6.3, while the percentage of cash assets to total current assets has risen from 29.4 to 34.6.

METHODS BY WHICH INCOME IS UNDERSTATED

It is believed that the flood of discouraging income statements, in the face of this steady strengthening of the financial position to our leading corporations, is due, first, to the practice of charging income with all shrinkages in the value of inventories—an illogical practice, because such inventories consist chiefly of permanent stock in trade and constitute permanent capital as much as real estate and buildings in which the business is carried on, so that fluctuations in such stock in trade should no more be carried into income account than would fluctuations in the value of such real estate and buildings—and, second, to the charging against earnings of arbitrary reserves for depreciation and depletion, in addition to liberal expenditures for maintenance and repairs.

It is not recommended that any present attempt be made to rectify the concealment of income involved in these methods of treating inventory. The necessary adjustments would be complex, and the theory of constant or base-stock inventories is not generally recognized in the United States, so that it would not be accepted without considerable debate. One should bear in mind, however, that even if depreciation and depletion deductions be disallowed, there would still remain the important item of inventories, by which the earnings of American corporations are much understated.

OBJECTIONS TO DEPRECIATION AND DEPLETION ALLOWANCES

The abuse of depreciation and depletion allowances is a more serious matter and more easily remedied. Depreciation reserves are customarily set up on a straight line or time basis; for example, if a machine is estimated to have a useful life of 10 years, one tenth of its cost is charged into the expenses of each year, regardless of whether the output of such year be large or small.

This use of the straight-line basis results in a double absurdity, in that replacement funds, which should be reserved out of actual income, are frequently set up out of bookkeeping deficits, and in that each unit of product produced in a year of depression is assigned a much larger share of capital costs than a corresponding unit produced in a year of prosperity. Thus in the cost accounting of American corporations every ton of steel produced in 1931 carried four times as great a loading for depreciation as was borne by a ton produced in 1929. The strictly scientific way to apportion the burden of depreciation is by units of output, and on this basis the depreciation deducted by American corporations in 1931 was at least three or four times too great. See Scovell on Cost Accounting and Burden Application, pages 71, 178. Also see Overhead Expenses: How to Distribute Them in Good and Bad Times, issued by the Chamber of Commerce of the United States in 1921.

There is, in fact, if not in theory, a close relation between the charges for maintenance and repairs and for depreciation, and as most of our large corporations make very liberal expenditures—sometimes of a capital nature—under the guise of repairs and replacements, they have little need for depreciation reserves. In the case of the larger corporations, with their extensive and diversified assets and activities, disallowance of such reserves involves no inconsistency with the theory of taxing net incomes, so long as actual expenditures for replacements remain deductible. On the contrary, the deduction of such reserves generally involves duplication and tends to conceal net income.

The allowance of deductions for depreciation necessitates the estimating of useful life and often of capital values, and experience has shown that inequalities, injustice, and corruption frequently occur where estimates enter so largely into the computation of taxes.

In England, where the income tax has been employed for more than two generations, and where advisability of depletion and depreciation allowances has been frequently investigated and considered, the proposal to allow for wasting assets has been repeatedly rejected on the ground that it would be impracticable of just administration, and even the allowance of depreciation has been kept within very narrow limits.

(H. Doc. 332, 70th Cong., 1st sess., 156.) Cf. Koustam, Law of Income Tax (3d ed. 1926) 86, 171-176. McBain, Complete Practical Income Tax (1928), 175 ff.

UNITED STATES STEEL CORPORATION AS AN ILLUSTRATION

The injustice to the Government which results from our present depreciation and depletion allowances is well illustrated by the case of the United States Steel Corporation. At page 6 of its annual report for 1931 the Federal income tax of the Steel Corporation and its subsidiaries is estimated at only \$80,000, although its income shown at page 18 of the report amounted to \$46,484,000 "earnings" and \$19,341,000 "special income", or an aggregate of \$65,825,000 net income, less \$6,303,000 interest on bonds and mortgages.

The expectation that with such earnings the corporation would contribute only \$80,000 to the support of the Federal Government is doubtless based chiefly on the provision of \$47,318,000 for depletion, depreciation, amortization, and obsolescence, in addition to \$59,461,000 charged in 1931 for maintenance and repairs.

The extremes to which the Steel Corporation has carried this method of accounting are shown by the fact that in the 5 years (1927-31) the Steel Corporation has charged income accounts with \$777,000,000 for maintenance, repairs, depreciation, and depletion—in addition to special appropriations from tax refunds, and so forth, for such purposes—whereas its net "property investments" is now stated at only \$1,684,000,000.

ILLUSORY CHARACTER OF DEPLETION RESERVES

The fictitious or artificial character of depletion reserves in our income-tax practice is too well known to require much discussion. The abuses arising from "discovery depletion" were exposed by the Couzens committee some years ago—report, pages 3, 10—and the increasing tendency to make arbitrary provisions for "percentage depletion", where the capital value of wasting assets has been largely recovered through ordinary depletion, is a transparent means of legal evasion.

In the case of the steel corporation and many others, the mineral deposits are actually so enormous and will last for so many generations that the setting up of replacement reserves from the earnings of such a year as 1931 would be purely farcical were it not for the tragic effects upon Federal revenues.

PROVISIONS OF CORPORATE SURPLUS TAX ACT

In the proposed act an attempt is therefore made to levy a tax upon the actual earnings of our larger corporations. The rate proposed is 33½ percent—section 2—which is high enough to produce large revenues and stimulate dividend payments, but which, after allowance of various credits described below, amounts to but a small percentage of gross sales.

To reach this actual income, depreciation and depletion are disallowed, with special exceptions for financial institutions and for cases like the moving-picture film industry, where rapid obsolescence is a frequent factor, and with further exceptions to prevent hardship in the retroactive taxation of 1935 incomes—section 5.

For both economic and administrative reasons, it is important that there be granted a large specific exemption, or a reasonable exemption. My bill, therefore, provides an exemption of \$500,000 for each corporation or affiliated group of corporations—section 4 (c). Incidentally, these exemptions eliminate all but 1,000 out of the 500,000 corporations which annually report to the Bureau of Internal Revenue. It is believed that the tax as thus framed will bear precisely on the large corporations which are dominated by professional corporation managers with little responsiveness to their stockholders, and that the funds from which the tax will be paid would, in the ordinary course of corporate administration, never reach the stockholders in any event, so that no actual burden is laid upon stockholders by the tax.

To place a premium upon the distribution of dividends, a corporation is allowed by the proposed act to deduct not only the amount of dividends received by it—as is provided

in the Revenue Act of 1928—but, in addition, one-half of all dividends paid out in excess of dividends so received. For the same purpose this additional deduction may be disallowed if the corporation has unreasonably reduced its dividend rate (sec. 4 (d)). In addition, commencing with returns for 1936, individual stockholders are permitted to credit against their income taxes 16½ percent of all dividends received by them (sec. 14).

These provisions with reference to dividends will place strong pressure on corporations to revise their dividend policies and make generous distributions, abandoning the niggardly dividend policies heretofore followed.

For the further relief of individuals and to assist in collecting State revenues, the normal tax is reduced to 1 and 2 percent (secs. 13, 16), instead of 4 and 8 percent as in the new revenue act; individuals are permitted to credit against their income taxes for 1936 and subsequent years any State taxes paid by them up to 3 percent on their income (sec. 15), and corporations are permitted to credit against the proposed corporate surplus tax for 1936 and subsequent years one-third of any taxes paid by them to the States (sec. 7 (b)), further provision being made that, commencing with 1938, these credits for State taxes shall be limited to income taxes, or franchise-income taxes, paid to the States.

The adoption of the capital surplus tax should make possible the repeal or reduction of certain other taxes imposed by the present revenue laws. Among these should be the higher surtaxes, which are quite unjust in their application to earned income and which will prove quite uncollectible so far as the rich are concerned, because of the ready avenue of escape under the lower rates applied to corporations. In fact, the present revenue act with its graduated rate on corporations will almost inevitably fail to produce the expected revenue from higher surtaxes, while the increased surtax rates will accentuate the existing tendency of directors to discontinue dividend distributions.

Section 11 of the proposed act directs the Commissioner to grant liberal extensions of time (up to 2 years) for paying the tax in cases of hardship and further directs that the tax be subordinated to existing and future creditors where necessary to avoid financial complications to a taxpayer corporation.

CONSTITUTIONALITY OF THE PROPOSED TAX

The fairest measure of present ability to contribute to the revenues is to be found in the past year's earnings.

The disallowance of depreciation and depletion is justified by *Burnet v. Thompson Oil & Gas Co.* (1931) (283 U. S. 301, 304); *United States v. Biwabik Mining Co.* (1918) (247 U. S. 116); *Goldfield Consolidated Mines Co. v. Scott* (1918) (247 U. S. 126); *Cf. Weiss v. Wiener* (1929) (279 U. S. 333, 335).

In addition, depreciation and depletion deductions were expressly or tacitly disallowed in the Civil War income-tax laws and the law of 1894, yet no point was made of this by the learned counsel who argued the *Pollock* case. *Pollock v. Farmers' Loan & Trust Co.* (1895) (157 U. S. 429; 158 U. S. 601); *Railroad Co. v. Collector* (1879) (100 U. S. 595, 597); *Bailey v. Railroad Co.* (1882) (106 U. S. 109, 115).

As was observed in a note to the concurring opinion of Mr. Justice Brandeis in *Missouri ex rel. Southwestern Bell Telephone Co. v. Public Service Commission* (1923) (262 U. S. 276, 294):

Several different methods are used for measuring depreciation: (1) The replacement method; (2) the straight-line method; (3) the compound-interest method; (4) the sinking-fund method; (5) the unit-cost method. It is largely a matter of judgment whether, and to what extent, any one of these several methods of measuring depreciation should be applied. They may give widely different results.

PRODUCTIVITY OF CORPORATE SURPLUS TAX

The yield of the proposed tax cannot be estimated except within wide ranges. It is conservative to say, however, on the basis of careful calculations, that the act would produce at least \$600,000,000 and perhaps \$1,000,000,000 or more revenue in a year, after making full allowance for the reduction in normal tax rates, the dividend credit to individuals, and the credits to both corporations and individuals for State taxes.

RELATION OF THIS TAX TO SALES TAX

The sales tax carried a complicated system of licenses to avoid snowballing or pyramiding of the tax. An alternative method of sales taxation is to tax every successive sale but allow each vendor to deduct from the price received his direct costs for labor, materials, and supplies.

In the proposed bill the same deductions would be allowed, plus interest, rent, and so forth. Certainly no advocate of the sales tax should object to a tax on surplus income excluding depreciation and depletion reserves.

In their economic effects, however, the proposed tax differs widely from a sales tax, since the corporate surplus tax would be a powerful influence toward ending the depression and bringing about a stable condition of prosperity.

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, until recently it was the traditional policy of the Federal Government—and it was a proper policy—to hold inviolate the information obtained from a citizen for the purpose of levying a Federal tax against him. This information was not properly obtainable by the Federal Government on any other excuse or for any other reason than to levy an income or excise tax.

An apt illustration is the fact that until prohibition the Federal Government levied an excise tax of \$25 a year upon all persons selling intoxicating beverages at retail. But it was the policy of the Federal Government not to disclose who paid the \$25 tax, either for taxing purposes or criminal purposes, to any State or any other authority in the United States.

Inasmuch as the Federal Government after having the information for no other purpose except for levying the tax, it has no business to make that information available for any other purpose whatever. That was the policy of the Federal Government until within the last few years.

Then we had the "pink slip" legislation, which allowed such information in income-tax returns to be made indiscriminately public; and as a result of a popular uprising the Treasury reluctantly consented to allow Congress to repeal the "pink slip" legislation last year.

With that we thought we had wiped out the divulging of such information for all purposes to all persons; but we find there is still a provision in the law that the income-tax returns are available to States and local taxing authorities. The law says that those authorities on making proper application shall have a proper opportunity to examine the returns. It does not impose on the Treasury the duty of making copies for these people who have no real right to the information in the first place. There is no reason why the Treasury should come here and ask us at this time to pass enforcement legislation to compel the taxpayer himself to make copies for the use of the local taxing officials, when the Treasury itself is under no obligation to furnish such copies.

If under the law the taxing authorities of the State or the local government have the right to inspect these records, let them inspect them when the opportunity for such inspection is present, and they can avail themselves of their legal rights.

But there is no reason why the Treasury of the United States should facilitate such inspection by making copies, and certainly it is an imposition to force people to make the copies themselves. It is not the business of the taxpayer morally, legally, or equitably to furnish these copies.

I think this bill is vicious, contrary to sound fundamental principles, and ought to be defeated, and the rule ought to be defeated so that we will not waste our time considering such legislation.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Speaker, after conference with the chairman of the Committee on Ways and Means and the chairman of the Committee on Rules, it was thought advisable that some member of the Committee on Ways and Means should at least make a brief statement of

explanation of the real purpose to be accomplished by the bill sought to be made in order by the rule under consideration. The distinguished gentleman from New Jersey [Mr. LEHLBACH] is evidently very much confused about the purpose sought to be accomplished. That is the reason for feeling that somebody should give a brief explanation of the real situation that we have to deal with, and that is my purpose in asking your indulgence at this time.

Apparently the desire of the gentleman from New Jersey would be to not have any publicity of any type or character of income-tax returns, and we have no quarrel with him for having that desire, but that just does not happen to be what the law is today. The situation is this. Last year the House passed a bill repealing the so-called "pink slip" provision. The bill passed by the House contained only four or five lines. It was a clean, clear-cut repeal of the publicity provision of the income-tax law, thereby abolishing the filing of the pink slip by the taxpayer. When that bill went to the other body, it did not meet with favorable consideration. The result was that an amendment was placed upon it in that body requiring the information to be furnished to the States and local taxing authorities under certain regulations provided, and that amendment having been adopted in the other body, the bill went to conference. The result was that what is now provided by law was all that the House conferees could get out of the conference. In order to accomplish the repeal of the pink slip, it was necessary to agree to these other provisions, and the conference report was adopted by the two Houses. That is the situation we have.

The ask your indulgence for a moment further, I invite your attention to the present provisions of existing law which make this necessary. The act approved April 19, 1935, which was the act repealing the pink slip, contained the following provision:

That section 55 (b) of the Revenue Act of 1934 relating to filing and making public certain income statements is amended to read as follows:

"(b) (1) All income returns filed under this title for any taxable year beginning after December 31, 1934 (or copies thereof, if so prescribed by regulations made under this subsection), shall be open to inspection by any official, body, or commission, lawfully charged with the administration of any State tax law, if the inspection is for the purpose of such administration or for the purpose of obtaining information to be furnished to local taxing authorities as provided in paragraph (2). The inspection shall be permitted only upon written request of the Governor of such State, designating the representative of such official, body, or commission to make the inspection on behalf of such official, body, or commission. The inspection shall be made in such manner, and at such times and places, as shall be prescribed by regulations made by the Commissioner with the approval of the Secretary.

Then section 2 following provides a penalty for divulging the information received to some outside sources. The situation presented here is simply this: That being the law, the Commissioner of Internal Revenue has to provide for these authorities designated by the Governors of the States, to inspect these returns or copies of them. As has been pointed out by the chairman of the Committee on Rules, if these returns have to be taken out of the usual channels and held there for inspection by these authorities, it will greatly disrupt the administration of the income-tax law by the Revenue Department. It is estimated they will lose something like \$100,000,000 a year by reason of the delay necessary, and in addition to that it will cost perhaps \$1,000,000 a year for the Federal Government to make these copies.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. BACON. Can the gentleman tell the House as to the number of demands for inspections that have occurred in the last year?

Mr. COOPER of Tennessee. Of course, I do not have the exact figures, but the demands are large.

Mr. BACON. I am asking for information.

Mr. COOPER of Tennessee. As the gentleman knows, many States have State income-tax laws, and it is expected and thought by the Treasury Department that the demands will be very large.

This is decidedly in the interest of the taxpayer. Under section 145 of the Revenue Act of 1934, the taxpayer is subjected to a penalty of not more than 1 year imprisonment and not more than \$10,000 fine for failure to comply with the provisions therein stated, and the regulations issued by the Commissioner of Internal Revenue. The practical purpose of this bill is to provide that the taxpayer shall file a copy with his return at the time it is made. If he fails to do that for this year, he is issued a letter calling his attention to it. Years in the future, if he fails to do it, he will have to pay \$5 in the case of an individual or \$10 in the case of a corporation.

The SPEAKER. The time of the gentleman from Tennessee [Mr. COOPER] has expired.

Mr. O'CONNOR. I yield the gentleman 2 additional minutes.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. ZIONCHECK. The statement which the gentleman made, if I understood him correctly, is that the provision in the present law which it is attempted to enact is embodied in departmental regulations, and if they fail to furnish a copy, under the departmental regulations they are subject to 1 year in prison or a fine of \$10,000. This law makes it only a \$5 or \$10 fine?

Mr. COOPER of Tennessee. Yes. In substance and in practical effect the gentleman states it correctly.

Mr. ZIONCHECK. In other words, it is for the protection of all taxpayers to make a definite, small penalty instead of a department putting an excessive penalty on them for a minor infraction?

Mr. COOPER of Tennessee. In substance, the gentleman states the situation correctly.

Mr. BACHARACH. Well, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. BACHARACH. That statement is not correct, because we are not changing the criminal action at all. I understood the gentleman from Washington to say it did change the law.

Mr. COOPER of Tennessee. My answer to the gentleman from Washington [Mr. ZIONCHECK] was that in substance the practical effect is just what he states. In other words, this provides for a requirement by law, instead of by regulation, of the filing of a copy of the return, and provides for the assessment of \$5 or \$10, as the case may be, for failure to do that.

Mr. KENNEY. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. KENNEY. We are passing this law on the eve of the tax-return date. Ordinarily the provisions would take effect as far as current returns are concerned, except an amendment has been offered, as I understand it. Am I correct in assuming that that amendment provides that no penalty shall attach unless first a notice is sent to the taxpayer to provide a duplicate?

Mr. COOPER of Tennessee. That is provided for in the bill itself. That amendment was offered in the committee, and was accepted by the committee, and the bill is here now with that provision in the body of the bill.

Mr. KENNEY. It is true that no penalty will attach until a notice has been given to file the duplicate?

Mr. COOPER of Tennessee. That is correct for this year.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11365, with Mr. BERLIN in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in my judgment, there is less reason for opposing this bill than any bill respecting the revenues of the Government since I have been a Member of Congress.

There seems to be a complete misunderstanding and misapprehension of the purposes of this legislation. Congress passes laws providing for raising revenues for the support of the Government. Those laws are not effective unless they can be efficiently, economically, and expeditiously administered. It was found this could not be done with respect to the law that it is proposed to amend now, and that is the reason for this bill.

As has been explained by my colleague on the committee, the gentleman from Tennessee [Mr. COOPER], this legislation is made necessary by an amendment to the revenue law of 1934, which amendment was adopted in 1935, amending section 55 of the revenue law of 1934, providing for the repeal of the pink slip. When the pink slip was repealed, which provided for making certain data open for inspection, the law was broadened, making it the duty of the Secretary of the Treasury to make returns of income taxpayers available for inspection not only by States but by local taxing authorities. If the Secretary of the Treasury is to obey the mandate of the law by making these returns available, of course, he cannot make them available to the local taxing authorities and at the same time use them for the purposes needed in the collector's office. As they must be open for the inspection of the local taxing authorities, as the law provides, they must either have a copy or delay the auditing and investigation of the same, and this can only be done by having a copy that is accessible to the local taxing authorities.

If the taxpayer does not furnish the copy, then the Government must either make a copy or allow inspection of the original return. To do this will entail a large expense. If the Congress is not willing to pass this law, then the Members must get ready to make the appropriation necessary to furnish these copies or must take the responsibility of tying up the auditing and inspection of these returns, and also the delay that will be incident to this procedure. The Treasury Department says, furthermore, it will result in the loss of many millions of dollars by reason of the delay in the auditing of the returns and proper work of the Treasury of the United States in the collection of the taxes. The Congress should provide and must provide for making these copies so they can be available and the provisions of the law be carried out.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Gladly.

Mr. SNELL. I do not quite understand how it affects the assessment and collection of Federal taxes to have this extra return filed. How does it in any way affect the collection of Federal taxes?

Mr. DOUGHTON. If the Treasury Department has to make the originals available for inspection of the local taxing authorities, they cannot promptly audit these returns, inspect them, and do the work necessary for the collection of the taxes.

Mr. SNELL. They do not send them to any of the States for local inspection until they have completed their examination here, do they?

Mr. DOUGHTON. A brief inspection is first made in the collector's office and then sent to Washington for auditing, and later about 750,000 are returned to field agents for fur-

ther examination of various items and schedules shown on the return.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COOPER of Tennessee. The gentleman will bear in mind that out of 6,000,000 returns it is estimated will be filed this year, about 2,500,000 will come to Washington to be audited.

Mr. SNELL. I understand that.

Mr. COOPER of Tennessee. About 750,000 returns are sent to the field for investigation. In the year's time they are able to investigate or examine only 400,000 of this number, but this 400,000 yield \$300,000,000 additional revenue to the Government by reason of the investigation.

Mr. SNELL. I understand that perfectly well, but how is the filing of this additional return going to add to the facilities of collecting the tax from the standpoint of the Federal Government?

Mr. COOPER of Tennessee. It means simply that when the income-tax return is filed in the local collector's office instead of having to keep it there to be available for inspection by the Governor's representative and these local authorities, they can keep the copy there to be inspected and send the original on to Washington; it will come through the usual channels and in the regular way; it will go to the field for investigation, if necessary, and they will not have to disrupt the whole machinery by holding the original return in the collector's office for the local authorities to investigate.

Mr. SNELL. The gentleman just stated a few moments ago that comparatively few returns were sent to Washington. How, then, would it disrupt the whole machinery if an additional copy was not filed?

Mr. COOPER of Tennessee. Almost half are sent to Washington.

Mr. DOUGHTON. Right at that point, they have to be inspected and audited in the collectors' offices, and the collectors cannot use the returns if some local taxing authority has them.

Mr. SNELL. An order must be obtained from the Governor before they can be inspected. How often is this being done?

Mr. DOUGHTON. I understand from the Treasury Department that many, many requests are being made to inspect returns, so that it will be necessary for them to have copies of the returns available or else seriously interrupt the work of the Treasury.

I may say to my good friend from New York that taxpayers in many cases are being advised that there is no penalty that attaches for not making these copies. Consequently many returns are being made without furnishing copies. The tax-return blanks that are sent out are accompanied by a notice that they should make these copies, that the copies are required by law; but the taxpayers are told that there is no penalty attached. Therefore some are not sending the copies.

Mr. SNELL. If they want a copy of the income-tax return, why should they not make it rather than put this burden on the individual taxpayer?

Mr. COOPER of Tennessee. Simply because the law requires the Federal Government to provide that information for them.

Mr. SNELL. Does it provide that the Government shall make a separate copy?

Mr. COOPER of Tennessee. It provides that the Revenue Department must have that information available.

Mr. SNELL. It provides that an individual may look at the original tax report, but it does not provide that the Department must make an extra copy?

Mr. COOPER of Tennessee. No. But they want to have the original to work on.

Mr. SNELL. The originals are left there anyway and they are working on them all the time.

Mr. DOUGHTON. It is impossible to obey this law without these copies. Does the gentleman think the experience

of the Treasury Department in the administration of this law is worth nothing?

Mr. SNELL. The law says that these returns shall be open for inspection. If you have an original, that is open for inspection.

Mr. DOUGHTON. But they must be made available to the local taxing authorities and they cannot serve that purpose and the purposes of the Department at the same time.

Mr. SNELL. I do not see how it will in any way interfere with the collection of the Federal taxes, as the gentleman stated.

Mr. DOUGHTON. If the Treasury Department, from their experience, said it is interfering with their work and that copies would necessarily have to be made, costing millions of dollars and also entailing the loss of revenue, would that carry any weight with the gentleman?

Mr. SNELL. Did they not give the same testimony with regard to the pink-slip proposition?

Mr. DOUGHTON. No.

Mr. SNELL. I think the gentleman agreed with me on that proposition.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. These returns cannot be in both places at the same time. They cannot be in the collector's office in the field and here in Washington at the same time. When these returns are sent to Washington they are audited. A number of State taxing authorities, it may be State, counties, or cities, have the legal right to see these returns.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. VINSON of Kentucky. This taxing authority comes to Washington to inspect the original return. At that particular time the officials in the Internal Revenue Department may be working on this particular return. If the local authority has the right to disrupt the work, the Internal Revenue Department must stop the work upon that return and turn it over to the local authority. They may start working upon that return the next day and some other taxing authority comes in and wants to inspect it. When you multiply the people who have the right to make these inspections, not only by the 48 States, but by all the taxing authorities of the States, I do not think there is a building large enough in Washington in which they could do the job. It disrupts the officials also in connection with their work so far as the collection of the taxes is concerned.

There is one other angle to this matter, and that is the question of the statute of limitations. If you are going to allow this return to stay in a collector's office for 6 months or a year, the statute of limitation is running all the time. When you send it to Washington and check up on it there will be a lot of revenue lost because of the running of the statute of limitations.

Mr. SNELL. Does the gentleman mean to state he thinks more than one tax authority would want to look at an individual income-tax return?

Mr. VINSON of Kentucky. Undoubtedly. Let us assume a corporation doing business in a number of States. There may be one corporation doing business in 48 States. The tax authorities of these States may want this copy made available. One copy under the bill is furnished to the internal-revenue collector's office in the State where the return is made.

Mr. SNELL. According to the gentleman's statement then, we ought to have one copy made to file in every State in the Union?

Mr. VINSON of Kentucky. They know where they can get these returns, and if they can go there and get them and not disrupt the operation of the Bureau insofar as collecting these taxes is concerned, I think it is a reasonable provision to have a copy filed.

Mr. DOUGHTON. The whole purpose of the legislation is to make practicable the administration of the present law,

so that they can carry out the purposes and provisions of that law. The gentleman from New Jersey stated that the Treasury Department and the Government are under no obligation to furnish these returns for inspection. If he considers that the law directing this to be done places the Government under no obligation, of course, that is his right. I maintain they have to do it. Now, in order to facilitate their own work they must have these copies. Of course, they could turn over the originals, but in doing that their own work would be interfered with and delayed.

Mr. LEHLBACH. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New Jersey.

Mr. LEHLBACH. A lot of papers must be filed and made available in various governmental agencies for Federal, State, and local authorities throughout the country. These are public records and open to inspection. Does the gentleman mean to say that when those papers are in court or in use, for instance, in connection with a pleading that is filed with the clerk of the court, or when actually in use by the court, that the court must surrender the document or documents to one who is exercising his right of inspection? A person who has the right to inspect may inspect when the paper is not properly in other use. Therefore, there is no reason why the Treasury Department should have these copies.

Mr. DOUGHTON. Of course, that would nullify the whole purpose and provision of the law. The gentleman knows that could not be done and at the same time carry out the spirit and purpose of the law. He knows that very well.

Mr. MILLARD. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. MILLARD. Does not the distinguished chairman of the Ways and Means Committee feel if this bill is passed the criminal provisions should be repealed also? They are drastic, unreasonable, and practically unenforceable.

Mr. DOUGHTON. So far as they relate to this requirement, I would say yes; but, as explained heretofore, the criminal provisions refer to other portions of the law that may be violated. This is a penalty for the violation of other provisions as well.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CLAIBORNE. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Missouri.

Mr. CLAIBORNE. Am I to understand that this act provides that the collector in Washington may prescribe any set of records that he deems necessary for the taxpayers to keep in making returns?

Mr. DOUGHTON. I did not understand the question. Will the gentleman please state that again?

Mr. CLAIBORNE. I can put it in the form of a hypothetical question. A lawyer makes a return on the white and on the green and the collector summons him and states, "I would like to see your books and records." He replies, "I keep no books and records", and then the collector prescribes such books and records for lawyers throughout the country.

Mr. DOUGHTON. There is nothing of that kind involved here. There is nothing here that is a forty-ninth cousin to that proposition. Only the returns that the taxpayer is required by law to make must be made available to the various taxing authorities, and in order to make this effective he is required by the pending bill to pay a penalty of \$5 for not sending a copy, and this copy is made available through the collector's office, not of some lawyer.

Mr. CLAIBORNE. I understand that; but I saw an article in the paper that prompted that question.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman will agree, I am sure, that the only way any person in the United States can get an income-tax blank is from the Government. The Government issues the blanks to the taxpayers

and that blank provides for the original return and for the duplicate that is held by the taxpayer. Now, all this bill does is to insert this green sheet, which is a copy of the original return. With every blank that has been sent out this year the Department has included this green sheet to be used in making the copy by the taxpayer.

Mr. DOUGHTON. And if the green sheet is not returned, then the taxpayer is given 15 days in which to send the copy, and if he does not do it then, only a mild penalty not a drastic penalty or a harsh penalty, but only a mild penalty of \$5 is imposed in order to reimburse the Treasury if it has to make the copy itself. This is a big to do over nothing.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question in reference to something that the gentleman from Tennessee said?

Mr. DOUGHTON. I yield.

Mr. O'CONNOR. The gentleman had in his hand one of the small returns, under \$5,000, but there is a green single sheet for the large returns over \$5,000 with the schedules on it and I am not sure that the green sheet of the large return contains all the schedules of the original return, and the States may want to see the original return because they are always asking for a break-down of the schedules. What is the fact about that?

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield to me to answer the gentleman from New York?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. The fact is it is only a difference in the size of the paper with respect to the individual return over \$5,000. The original that goes to the Government is one sheet, and the other part, which is two sheets, is what you retain as a duplicate. I filed mine last Saturday and I know what I am talking about, because the green sheet was included with the blank form and I filed one sheet like this, only it was larger, and the green sheet went along with it.

Mr. O'CONNOR. I am talking about schedules and I am quite sure in the large return it is more than one sheet.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. In regard to that matter, ordinarily the corporations would be affected by the schedules. I think it is fair to say that a carbon copy of the schedules could be attached to the copy of the return without any trouble. It occurred to some of us that the corporation would want that carbon copy rather than to have someone attempt to make a copy and, possibly, have errors creep in.

Just one further statement. Has the statement been made to the House that in several instances requests of the taxing authorities have been made for the filing of copies of all the returns from that State?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 2 additional minutes.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KENNEY. The bill provides an arbitrary period of 15 days for filing the return after notice from the collector.

Mr. DOUGHTON. No; that is for sending in the copy. After the return has been received and the copy does not accompany it, then 15 days from date of notice from the collector is allowed for sending in the copy.

Mr. KENNEY. And if it is not done within that time the penalty attaches.

Mr. DOUGHTON. Yes.

Mr. KENNEY. Of course, that is arbitrary; and the time begins to run from the time of mailing by the collector. If the individual should be away there is nothing in this law that would permit the Commissioner to remit the fine. Does not the gentleman think we ought to add there, "unless the time be further extended by the collector"?

Mr. DOUGHTON. I would have no objection to that amendment; but, of course, they are expected to send the copy with the original return, and this is a second notice.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Of course, that is a minor matter and could only happen in very few cases, and you cannot meet every contingency.

There is one more observation I should like to make. The evidence before the committee was that unless this copy is filed or permitted to remain in the various district offices for inspection it would compel everyone to come to Washington, both from the State and the political subdivisions of the State, necessitating expense in looking over the original, with the possibility of destruction; and, in any event, it would require the setting aside of special facilities in Washington to accommodate the representatives of the several States and the political subdivisions thereof; and the Treasury Department has already received a request from the representatives of the mayors or from the mayors' association asking that space be allotted in Washington for their representatives to go over these returns. This bill will also meet this situation.

Mr. DOUGHTON. Mr. Chairman, in conclusion I may say that we should do one of three things. We should pass this bill or repeal the provision of the present law requiring that these returns be made available to local taxing authorities or we should make an appropriation to pay for the making of these copies. We should certainly do one of these three things, because if we do not the Department is required to do an expensive and unreasonable thing.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I shall vote against this bill. I voted against it in the committee. My reasons for voting against it primarily are two. In the first place, the bill is not necessary; in the second place it violates one of the principles of American government. Those, gentlemen, are the reasons for my opposition.

I will take up the last reason first. I oppose it because by its provisions an assessment, which in effect is a fine, is inflicted upon a taxpayer for the infraction of a regulation of a department, which regulation is not a law. In other words, a department chief can present a regulation and for the violation of that regulation he can fix a fine. He can do more than any judge of a court can do. A judge might fix a fine, but he cannot make a law and then fine a man for a breach of that law.

I say it violates a principle of Americanism. There is no question about it.

The bill gives the department the authority to make regulations, and if a man fails to live up to it, it gives authority to assess him \$5 or \$10 fine without giving him a chance to do anything or to say anything in his behalf or to appeal from the decision.

Mr. McCORMACK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. McCORMACK. There is no discretion given the department. The bill provides a mandatory provision for the fine or assessment of \$5 or \$10. My friend does not make a proper construction of the bill.

Mr. JENKINS of Ohio. I maintain that the Department should have no right to fix a penalty. It would not be so bad if they had the right to fix it on the basis of a law, but to fix it on the basis of a regulation is bad. They could change the regulations any time they saw fit, and every taxpayer would be subject to the whims of the Department.

I say that no department should have the right to make an assessment on a regulation.

If the Department has the right to make a regulation for the filing of a copy, they could change that regulation any time they saw fit. It is not permanent law, it is a regulation.

Mr. DOUGHTON. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. DOUGHTON. Congress passes this law; it is an administration law.

Mr. JENKINS of Ohio. If it is to be a law I would not have any argument. If you provide that copies must be filed, and if not filed there shall be a fine of \$5 or \$10, if that is the law I would not have any argument about it.

Mr. DOUGHTON. That is all this does.

Mr. JENKINS of Ohio. The gentleman does not see the point. Here is a regulation and not a law; it has not the dignity of a law.

Mr. DOUGHTON. They cannot make it a regulation without the law behind it.

Mr. JENKINS of Ohio. The gentleman will not say that there is a law that we must file a green copy; the law does not say that we must make a copy.

Mr. McCORMACK. The law allows the making of the regulation, and they have the power now; and for violation a person can be sentenced to prison for at least 1 year or a fine of not more than \$10,000, or both, which is ridiculous.

Mr. JENKINS of Ohio. I repeat that this is my position, and you can take it or leave it—that there is nothing upon which these people can assess this \$5 or \$10 except a regulation which may be changed at any time.

Let us go to the other phase of the bill. My other objection is this: It is not necessary. Why is it not necessary? Let us go over it to see what was done last year. It will be remembered that 2 years ago this same group of people came before our committee and said that they must have the "pink slip" proposition, and when that "pink slip" provision was passed and went out to the country there was such an intense revolution against it that everybody on the Ways and Means Committee of the House last year was anxious and ready to repeal it. That was repealed, but something else was put in place of it.

It was provided that the taxing authorities in the States should have the right to come to Washington or to go wherever the returns were and investigate those returns and inspect them for their own benefit. I am not one of those who oppose some publicity of taxation returns. I believe some official in each State ought to have the right to come to Washington, where the returns are, and look over the returns, but that privilege, which we gave last year, has been abused. It has been shamefully abused all over the United States. Any snooper who wants to do so can go to the statehouse or to the office of the State taxing officials and get access to these returns, and it is a shame and a disgrace that the law is circumvented in that way. We thought we wrote something that was fair and reasonable. I think I probably voted for that part of it, if I had the opportunity. I am not against some publicity, but I am against this indiscriminate publicity which snoopers, who have no business to know what anybody pays, can exercise. The only reason they want to know it is to scatter the information around or to blackmail people, and it ought to be stopped.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. COOPER of Tennessee. I am sure the gentleman from Ohio does not want to state that any officials in the Treasury Department ever appeared before the Ways and Means Committee and asked for the "pink slip" law.

Mr. JENKINS of Ohio. I do not know exactly who did ask for it, and that is not material. I did not ask for it. It came from somebody that wants a lot of regulation, and it was overwhelmingly desired, and the people rose up against it, and we threw it out with the same overwhelming condemnation.

Mr. COOPER of Tennessee. The gentleman must know that the requirements of publicity of tax returns was put on in the 1934 revenue bill in the Senate.

Mr. JENKINS of Ohio. Oh, I know about the La Follette amendment, and I never was in favor of it. It is too drastic.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. McCORMACK. Does the gentleman take the position that the officials of his State or any political subdivision thereof should not have the right to examine income-tax returns of the Federal Government, made by citizens of the gentleman's State, to see whether or not the State income-tax returns made to the State by the same people are consistent?

Mr. JENKINS of Ohio. If the gentleman had been listening, he would have known that I said specifically that I was in favor of some authority having access to these returns.

Mr. McCORMACK. That is all that this is designed to accomplish.

Mr. JENKINS of Ohio. No; there is something else. Do not let us be misled on that. After we repealed the pink slip we provided that the authorities in the State, the proper taxing authorities, should have the right to come and look over the returns in Washington, or to wherever the returns were available. That was agreed to. We gave the Department the right to issue the regulations, and one regulation that the Department has issued is that each blank return that goes out shall have sent with it a green slip, requesting the taxpayer to fill it out and send it in. This is to be a duplicate. Here is where I say this proposed legislation is not necessary. The regulation requiring the filling out of the green copy has never been tried. This is the first time they have ever been sent out and how does anyone know how many people will fill them out and how many will not fill them out. They have just been sent out. They have just tried these regulations. I repeat for emphasis, this is the first time, and just think of it, before it has been tried, it has to be changed. Half of you gentlemen have not filled out your income-tax returns, and nine-tenths of the people of the United States have not done that as yet.

How does anybody know who and how many are going to refuse to fill these out? Yet here they come along and ask us to pass a law which is founded on a regulation that will fine people from \$5 to \$10 before they give them a chance to see how many will make the return. That is why I say it is unnecessary.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. No.

Mr. BROOKS. I will answer the question.

Mr. JENKINS of Ohio. That question cannot be answered.

Mr. BROOKS. Oh, yes; it can. After they repealed the pink slip this provision was put in in the Senate.

Mr. JENKINS of Ohio. I appreciate that.

Mr. VINSON of Kentucky. The gentleman says that the people have not made out their returns and they probably will fill out this green slip.

Mr. JENKINS of Ohio. Yes.

Mr. VINSON of Kentucky. If that is done, is there any burden at all placed on the taxpayer?

Mr. JENKINS of Ohio. If it is done, there will be no trouble, and if it is not done there will be no trouble under the law as it is now. Why not wait until next year, until we see how many of them will do this? If a large majority fill them out, then this bill will not be necessary. Until this is determined it is useless.

Mr. VINSON of Kentucky. If we pass it now, they will all do it, and there is no burden placed upon them.

Mr. JENKINS of Ohio. I say it is a farce for a great department to make a regulation and, before they try it out, come to the Congress and say, "We want the power to fine them", without the sanction of a statutory law. I say it is unnecessary; it is un-American; it is unjust and unreasonable and should be defeated. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio [Mr. JENKINS] has again expired.

Mr. BACHARACH. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, I regret very much that I find myself in opposition to my chairman and other good friends of the majority on the Ways and Means Committee on this legislation. A year ago this House was in an uproar

about the so-called "pink slip" provision and its repeal. Now at this time we are in another uproar about another color, the "green slip" bill. In my opinion, this bill is entirely mis-titled. It should be called the "green slip validating act of 1936", for that is just what it is.

In my opinion the Treasury Department attempted to force the taxpayers of this country to file this so-called "green slip", and apparently someone called their bluff on it; so they run up to Congress, like they always do when they want something that will irritate or aggravate the taxpayers of this country, and ask us to bring in legislation legalizing what they attempted to do by regulation. I say it is entirely wrong. I think that we as a Congress should pass sensible legislation and stop passing these silly nuisance bills that only irritate the taxpayer of the United States. [Applause.]

It has been said this afternoon that there is no responsibility upon the Treasury to furnish State officials, upon the request of the various Governors, with copies of the returns of individuals or corporations. I say if the Governor of my State or the assessor in my township or the State Tax Commission of the great State of Illinois want to see what CHESTER THOMPSON's return or that of any other individual or corporation, let them send somebody down and make a copy. Why should that burden be placed upon the taxpayers themselves? I, therefore, hope that this legislation will be voted down.

I do not particularly cherish the idea of opposing my committee, but sincerely believe that this bill is unnecessary. It comes in just on the eve of the time when 90 or 95 percent of the taxpayers of this country will be making their returns, and after those who have filed their returns and have neglected to file a copy. If this bill becomes a law, they will get a notice from some collector of internal revenue to make a copy. I think that is wrong and that the people of this country are entitled to notice. If a bill of this nature is passed, it should be made effective a year from now and not upon the current returns. I think we should find out, as the gentleman from Ohio [Mr. JENKINS] said, just how many people refuse to file these duplicate returns. We do not know. We are taking the word of the bureaucrats in the Internal Revenue Service, who do not care anything about the people of the country and just about the same for Members of Congress. They run up here and they say, "Pass this. We have to have it for the revenue. We need this to protect the revenue."

Oh, how many injustices have been done to the people of this country under the guise of protecting the revenue?

Mr. KNUTSON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. KNUTSON. The highjackers and kidnapers should have some place where they can go to get information as to whom they might profitably operate upon. I know of no other way.

Mr. McCORMACK. Now, that is not a fair statement in connection with this bill, and my friend who is sincere in his opposition knows it. The gentleman knows that the only one who can inspect that return is the Governor of a State or his representative, or the representative of a municipality. The gentleman's statement is not a fair one, and the gentleman ought to withdraw it.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. THOMPSON] has expired.

Mr. BACHARACH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the United States Government is a sovereign nation acting upon the individual citizen. The sovereign States act directly upon their citizens. The policy we adopt in collecting our taxes is a Federal policy. As a Federal Government we should be concerned with the collection of Federal taxes and it should not be our concern to supply copies of records to the States necessarily. Our records are public records, and the State authorities know where to find them and where to inspect them. Once in a great while it seems to me we ought to keep faith with the American people. When the sixteenth amendment was adopted, or when it was submitted to the people of the United

States for adoption, the Democratic Party was then in power. That amendment was prepared and introduced by Mr. Cordell Hull, who is now the great Secretary of State. You, as a party, went out to the various States and made an appeal to the people to adopt the sixteenth amendment. In all of your debates in Congress, in your presentation to the people in the States, you assured them by one of your so-called sacred covenants that you would keep income-tax reports inviolate; that you would not permit their inspection; that nobody would have access to them. Upon that assurance the people of the States finally ratified the sixteenth amendment. Now, what do we find? We find that you are not keeping faith with the people. This is simply another case of opening the records of a private individual to the snoopers, to the people who want to pry into the private affairs of the people. I say the time has come for you Members, if you are ever to keep a pledge with the American people, to look over the record of the assurances you gave the people at the time you asked them to ratify this amendment. Had you told the people at that time that you were going to open up these records to public inspection you never would have had the sixteenth amendment adopted, never in the wide world. [Applause.]

Now, let us keep faith for once with the American people.

This is only the beginning—divulging information to the curious. In a little while access to private affairs will be thrown wide open; you will not only be making one copy but a series of copies, and you will be furnishing copies to Rotary Clubs and women's clubs, and all at the expense of the taxpayer; and income-tax payers will be fined unless they furnish and pay for these extra copies. That is not all. In this bill you are not repealing the criminal law at all. It stands there, a fine of \$10,000 or 1 year's imprisonment, or both, if they fail to file a copy. I object to this assessment and to the drastic criminal feature to which a citizen is subjected.

I shall vote against this bill.

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, the person who is most likely to be dilatory in getting his tax return under the wire is the little man who does not have expert tax advice. He includes by far the larger number of taxpayers. The records for 1933 show that there were 398,000 returns where the tax averaged less than \$10; there were 1,480,000 returns where the average tax was less than \$14.02; and there were 900,000 returns where the tax was less than \$29.01. So you have, in round numbers, about 2,780,000 returns where the tax is less than \$30.

By this bill you will add a 50-percent penalty for failure or delay in making a copy of the return where the tax was only \$10.60; you will add 33½ percent where the tax was only \$14.02. These groups make up the huge aggregate of the people who might be reached by this bill. They are the small taxpayers. They are the ones to whom this penalty will automatically attach if they do not file the copy with their tax return. In the case of almost 400,000 returns this penalty will be equal to one-half of the tax paid. In the case of 1,480,000 returns it would be equal to 33½ percent of the tax paid. Why put this unjust burden upon the little fellow everywhere in the country who makes up the bulk of those who send in returns and who is the most likely to be penalized by this kind of measure?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, there seems to be a misunderstanding with regard to the purpose of this green slip. It has been asked for by the Treasury that they may in a more efficient and less expensive way carry out the law. No more information will be divulged by this green slip than may be obtained today. That is not the purpose of the green slip. The purpose is to satisfy the States who are requesting the originals.

The Treasury Department advises that today they have blanket orders from the States for every tax return. The

Treasury Department states that if they have this green-slip copy to send to the States it will help them run the Department of Internal Revenue more efficiently and economically.

It is difficult to send the original returns to the States when they are needed here in Washington. I cannot see any reason for opposition to this act.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, earlier in the debate this afternoon the chairman of the Committee on Ways and Means said that this would facilitate the collection of the tax here in Washington and facilitate the examination of the returns. I asked the gentleman several questions, for I could not quite understand it; and the gentleman from Kentucky volunteered the information that if an inspector in Washington was looking over the returns and a request for them came from a State, he would have to turn them over to the State, thus delaying the work of inspection in Washington.

The law relative to inspection reads:

The inspection shall be made in such manner and at such times and places as shall be prescribed by regulation made by the Commissioner with the approval of the Secretary.

So following the law, all they have to do is to say to the States that these reports are not open to their inspection until the Department has completed inspection here in Washington. There is absolutely nothing to the statement made by the gentleman from Kentucky in answer to my question.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. I am certain my friend from New York recognizes the fact that after this inspection work is done here, very often, and in many, many cases, perhaps thousands of cases, the report is sent to the field for a field investigation.

Mr. SNELL. Yes; but the gentleman stated in reply to my question that they would have to stop their work of examination here in Washington. Then somebody else would come along the next day and want to look at the return and the Department would not complete its work. That is not so under this law; so there is nothing to that argument.

Mr. McCORMACK. Will the gentleman yield?

Mr. SNELL. Let me ask the gentleman a question first. [Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. McCORMACK. I have not any time to yield, but I yield to the gentleman in whatever time I may have.

Mr. SNELL. The gentleman said a little while ago that this is for the protection of the individual taxpayer. Will he tell me how it protects the taxpayer as long as the criminal part of the statute is still on the books and unrepealed?

Mr. McCORMACK. Why, this bill here succeeding in its passage existing provisions which have been referred to, and which, I am frank to say, I have serious doubt applies, but, in any event, being passed and succeeding the other provision, it also supersedes it.

Mr. SNELL. No; it does not; and it is not so held by the courts.

Mr. McCORMACK. Yes.

Mr. SNELL. This does not supersede unless it also repeals. The criminal provision is still on the statute books. If it is desired to repeal it, why do we not repeal it and leave no doubt?

Mr. McCORMACK. That criminal provision relates to a number of different offenses. This here involves the penalty for this specific violation only.

Mr. SNELL. I know that; but you could repeal it in this respect, and unless you do it still stands, and what you are doing today in no way affects it.

Mr. McCORMACK. May I express my appreciation to the gentleman for asking me to yield in his time?

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Chairman, the right of privacy is a private right inherent in American citizenship under the Constitution. The Revenue Act of 1934, insofar as it provides for publicity of income-tax information, violates that right. It was guaranteed to the American people when the income-tax system was adopted that all information incidental to the collection of the tax would remain confidential with the Government officials in charge. A year ago, in response to universal demand, the so-called "pink slip" provision was repealed, and the American people had the idea that the matter was disposed of. Every argument made a year ago in favor of repealing that provision is applicable here today. The thing to be done at this time comes from the lips of the chairman of the Committee on Ways and Means, who a few moments ago suggested that one of three things should be done. The first of his suggestions was to repeal the law which would eliminate the necessity for this legislation. I concur in this suggestion. It is the thing that should be done if the American Congress is to keep faith with the American people in this matter.

Mr. DOUGHTON. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman realizes, of course, we intended to do that, but it cannot be done by this House alone.

Mr. McLEAN. With all the power and influence of the Democratic Party in the Congress of the United States today, if it is necessary to keep faith with the American people, certainly you ought to be able to find the means and power to enact the kind of law which ought to be enacted to meet this situation.

Mr. DOUGHTON. The gentleman must remember that he is not the only judge of keeping faith with the American people. Some other people have views on that also.

Mr. McLEAN. I will leave that to the American people. If it was the thought of Congress last year in repealing the "pink slip" provision of the revenue act to preserve the privacy of the income-tax returns—and that was not accomplished—then we should carry the idea further and defeat this bill and provide the necessary legislation to guarantee that privacy.

Mr. BACHARACH. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, following the remarks of the gentleman from Illinois in reference to these small taxpayers, they will probably be greeted, as I was a day or two ago, by the announcement of the notary public to the effect that, instead of 50 cents, two documents have been attested and therefore the charge will be \$1. It is a simple matter, but it is still another one of those annoyances accompanying the payment of this disputed tax.

In closing I want to pay my acknowledgment to the gentleman from New York [Mr. REED], who has again reminded the Members of Congress of promises made to the American people relative to the secrecy of returns, when ratification was being urged. I have reminded Members on the floor of this House many times of those promises. I have also often reminded the Members of the House of the \$400,000,000 that it costs the taxpayers to make these returns.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, we now have plank no. 1 for our Republican friends. Having adopted it, I feel certain they will not have any trouble finding someone who will accept the nomination and suffer an overwhelming defeat in November.

Mr. Chairman, I never in all my life saw such a tempest in a teapot. Why, the gentleman from Massachusetts [Mr. GIFFORD] talks about a 50-cent notary fee that a taxpayer will have to pay for notarizing the copy. God bless him, he was trying to take care of his small taxpayers, and yet he simply overlooked the fact the Treasury regulations do not require the taxpayer to make oath to this copy which he files. In his paying 50 cents to the notary the gentleman was generous, as usual.

Let us look at this situation. It is most difficult to try to agree with our Republican friends during a campaign year.

One of the best friends I have in the House, TOM JENKINS, criticizes this bill because it deals with a regulation. My recollection is, and I am certain about it, the original bill introduced had a direct, affirmative charge. It was an amendment to section 55 (b), and it required the filing of a copy. Some of the boys on the committee thought they saw a "nigger in the woodpile." They did not want that. We tried to agree with them. A new bill was introduced amending section 55 (c), that dealt with existing law.

Now, what is the situation? My friends on this side of the aisle talk about publicity. There is no need to talk about publicity of income-tax returns, since it is not involved herein. The Democratic membership of this House passed the repeal of the "Pink Slip" Act. I will say that many distinguished gentlemen on the Republican side agreed with us. The history of such legislation is pertinent. A bill was offered to repeal the "pink slip" provision. It passed the House and went to another body. The La Follette amendment calling for full publicity was written into the law, and the bill went to conference, and this legislation was the result of that compromise in conference.

Now, it is undoubtedly true that if the pound of flesh were desired for failure to file the copy called for by Treasury regulation, the small taxpayer, the medium sized taxpayer, and the large taxpayer, each and every one, could be indicted in Federal court and subjected to this fine or this imprisonment, or both.

In view of this situation, while I would not go so far as to say that the enactment of this law would be in lieu of that criminal law, I think it is fair to say that the Treasury officials, the Department of Justice, and the district attorneys would certainly recognize that while this assessment of \$5 for individuals and \$10 for corporations for failure to file the required copy of returns is not a fine, it is, in effect, in lieu of the criminal proceedings.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I have copies of these returns on which I mentioned I paid \$1 or 50 cents each.

Mr. VINSON of Kentucky. And it has a blank place where you can sign. It has blanks for oath; but I may say to the gentleman, my good friend, that the Treasury regulation does not require making an oath to the copy, requiring his paying that 50 cents. I will say further that if it galls him because he paid the 50 cents, I will pay it for my friend.

Mr. GIFFORD. That is the kind of argument we hear so much.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. BACHARACH. If they are not enforcing the criminal portion of the act, why do you not repeal it? You have a majority both in this body and in the other body.

Mr. VINSON of Kentucky. The gentleman knows that the act which contains the criminal penalty deals with many other violations of the internal-revenue law.

Mr. BACHARACH. Why not repeal the part about the income tax?

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. MILLARD. Could we not add to this bill that that provision of the law shall not apply here?

Mr. VINSON of Kentucky. The gentleman could do that. I am very happy we have the issue for the 1936 campaign. [Laughter and applause.]

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 54 of the Revenue Act of 1934, as amended, is amended by inserting at the end thereof the following new subsection:

"(d) Copies of returns: If any person, required by law or regulations made pursuant to law to file a copy of any income

return for any taxable year beginning after December 31, 1934, fails to file such copy at the time required, there shall be due and assessed against such person \$5 in the case of an individual return or \$10 in the case of a fiduciary, partnership, or corporation return, and the collector with whom the return is filed shall prepare such copy. Such amount shall be collected and paid, without interest, in the same manner as the amount of tax due in excess of that shown by the taxpayer upon a return in the case of a mathematical error appearing on the face of the return. In case of a person who filed a return for any taxable year not beginning after December 31, 1935, such amount of \$5 or \$10 shall be due and assessed only if the copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy. Copies of returns filed or prepared pursuant to this subsection shall remain on file for a period of not less than 2 years from the date they are required to be filed, and may be destroyed at any time thereafter under the direction of the Commissioner."

Mr. THOMPSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 9, strike out the figures "1934" and in lieu thereof insert "1935."

Mr. THOMPSON. Mr. Chairman, the purpose of this amendment is to postpone the effect of this legislation for the current income-tax filing period. It seems to me that the taxpayers of the country, both individual and corporate, are entitled to some notice that they are obliged to file copies of this kind.

Mr. DOUGHTON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. DOUGHTON. They are given one notice when the green slip is forwarded to them, and this provides for a second notice.

Mr. THOMPSON. They had the notice when they received the return with the green slip saying it must be filed—

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. COOPER of Tennessee. If the gentleman will look on page 2, line 10, of the bill, he will see that it says the amount of \$5 and \$10 will be due and assessed only if a copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy.

Mr. THOMPSON. I know; and my purpose is to make inoperative the legislation against the returns now being filed.

I propose to later offer an amendment advancing the date in line 8, page 2.

Mr. COOPER of Tennessee. There can be no confusion or difference between us. The bill provides that for this year if any taxpayer fails to include the green slip or copy, the duty is imposed on the collector to mail him a notice calling his attention to it and asking him to send it in. It is only then that the assessment of \$5 and \$10 can be made.

Mr. THOMPSON. That is true, but my purpose is to postpone the whole proceeding for 1 calendar year.

Mr. DOUGHTON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. DOUGHTON. If the taxpayer ignores the two notices, then the assessment of \$5 or \$10 takes place. The gentleman would not defend prosecution under the provision that has been alluded to indicting a man and fining him \$10,000—

Mr. THOMPSON. Oh, no; and the great majority of district attorneys would throw the collectors or deputies out of the office who attempted it. [Applause.]

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The purpose of the gentleman's amendment is to give the present law a chance to be tried.

Mr. THOMPSON of Illinois. For 1 year; yes.

Mr. DONDERO. I call the gentleman's attention to the fact that there are only 5 days left for filing returns.

Mr. THOMPSON of Illinois. Yes; and this bill has to get through the other body so that there will not be any time left. It will be retroactive. I think it is due to our constituents

that this enactment be postponed for 1 year, if not killed entirely. [Applause.]

Mr. CHAIRMAN, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. JENKINS of Ohio)—there were ayes 44, noes 67.

So the amendment was rejected.

Mr. JENKINS of Ohio. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. JENKINS of Ohio: At the end of the bill insert a new section, as follows:

"Section 145 of the Revenue Act of 1934 be amended as follows: 'After the last word and period of subsection (a) add the following: This section shall not apply to a failure on the part of any taxpayer to file a copy of his income-tax return.'"

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill or to the section to which it is offered.

Mr. JENKINS of Ohio. Mr. Chairman, I maintain that the amendment is in order for this reason: The primary purpose of this section is to place a penalty on an individual for not doing a certain thing. There is already a statutory law, as I stated in my remarks, providing a penalty for not doing that identical thing. All in the world this does is to say, in effect, that if this bill is passed, then there shall not be two means of punishment of an individual who may violate this provision. If this bill passes it provides a penalty, that is, an assessment to be levied by the Department; and, assuming that the bill will pass, then the man who fails to file his green slip will be confronted with two punishments and the Department may have a chance to punish him twice, because when it levies this assessment it will not be a criminal punishment, such as a man might take advantage of under the Constitution as having placed him twice in jeopardy, but, in effect, it will be the same thing. The bill before us proposes to amend the revenue law of 1934. My amendment proposes to amend the same law by providing that if a taxpayer fails to file the copy he will be amenable to but one assessment. It is surely germane and clearly applicable.

Mr. COOPER of Tennessee. Mr. Chairman, of course, the gentleman's argument does not in any sense touch the point of order made. He has made an argument entirely outside of the scope of the point of order. The point of order is that the pending bill seeks to amend section 54 of the Revenue Act of 1934. It does not in any way relate to, refer to, or have anything to do with section 145, which is referred to in the amendment offered by the gentleman from Ohio. The provision of law, the section of the act sought to be amended by the gentleman from Ohio, is not even under consideration here; it is not even referred to as a part of the bill. There can be no doubt that the amendment offered by the gentleman from Ohio is not germane to the pending bill. Therefore, I make the point of order.

The CHAIRMAN. The Chair is ready to rule. This bill relates to section 54, which provides for special returns. The gentleman's amendment relates to section 145, which pertains to penalties. The Chair does not think the amendment is germane and therefore sustains the point of order.

Mr. KENNEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. KENNEY: Page 2, line 12, after the word "copy", strike out the period, insert a comma, and add: "But such amount as may be due and assessed hereunder may be remitted by the collector for good cause shown in failing to file a copy within the 15-day period."

Mr. KENNEY. Mr. Chairman, the bill as written, according to my understanding, provides for an arbitrary penalty. An individual might be subject to the assessment or fine even though he acted in perfect good faith. In the first place, of course, the taxpayer must file his copy with the return, but there is the provision that in case of a person who filed a return for any taxable year not beginning after December 31, 1935, the amount of \$5 for an individual return and \$10

for a fiduciary, partnership, or corporation return shall be due and assessed only if the copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy. An individual must file it after being notified by the collector within 15 days of the mailing of the request for the copy, and if he does not file it within that arbitrary period he is subject to the stated fine and assessment. It may well be that a man might be ill or away from home when the notice is sent by the collector, and the time begins to run from the day that the collector mails out the letter. If he should happen to be ill or away and the 15-day period should elapse before the request came to his attention, although he immediately sent in his copy to the collector, he would still be compelled to pay the fine and assessment. He might go to the collector and explain the circumstances. They would be extenuating circumstances, and the collector might feel there should be no penalty in a case like that, but the official would be compelled to say that he must collect the fine because it is mandatory under the provisions of the bill. I feel some discretion ought to be given the collector where the taxpayer proves to his satisfaction that he has filed his copy as soon as he could reasonably in the circumstances of any given case. In a proper case the collector ought to be in a position where he could, if the circumstances warranted, remit the five- or ten-dollar fine. It was said by one of the members of the committee today that this is a minor matter. These minor matters are important. In the section where I live people come to me from time to time on matters like this, only to find that public officials have no discretion in many worthy causes where discretion should be used. I ask that my amendment be adopted.

Mr. McCORMACK. Mr. Chairman, the opposition to this bill by some of our Republican friends is consistent with the tactics that are being generally employed, which, in the common language of the day, are known as "sniping."

The gentleman from Ohio [Mr. JENKINS] undertakes to call this harmless bill "un-American." It is a favorite word today. It is the favorite practice to hurl the charge of un-Americanism against any bill or any person favoring progressive legislation.

This is a simple bill. Its history is simple. In 1934 we passed a tax bill to close up certain gaps in tax evasions. That bill passed the House. It went to the Senate. The Senate amended that bill and put in the "full publicity" provision. That was put in by a member of the Republican Party, the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE].

That bill went to conference with certain differences existing between the two Houses. The conferees brought back a report which was signed by the gentleman from Massachusetts [Mr. TREADWAY] and the gentleman from New Jersey [Mr. BACHARACH]. They did the best they could under the circumstances. They whittled down the "full publicity" provision, and I agreed with them. I am against full publicity. They did the best they could—not what they would like to have done, but they did the best they could under the circumstances. They brought about what was known as the "pink slip" law. Last year the Ways and Means Committee reported out a bill repealing the "pink slip" law, and that bill went to the Senate. In the Senate the bill met "full publicity" again. It went to conference, and the conferees did the best they could. They brought back and reported to the House a compromise that was agreed upon last year. I would like to have seen them go further, personally, but they did the best they could under the circumstances. This bill is simply to clarify the act of last year which the conferees brought back with a united report, both Republicans and Democrats, on an amendment put in in the Senate by a Republican Senator.

You and I know that where practical differences exist between the two branches of Congress the conferees must do the best they can. They did it last year, and the House accepted their report. The conferees recommended to us that the Commissioner of Internal Revenue have the power by

rule and regulation to require a copy of the return. That is provided for under the present law, and if a person did not file a copy he could be punished by imprisonment for not more than a year or by a fine of not more than \$10,000, or both. Nobody wants that. Nobody would stand for that. Yet, there was that possibility staring taxpayers who innocently or otherwise might not file their copy, in the face. I am not saying whether or not I agree that a copy should be filed. I am not saying whether I agree in the right of States to inspect the copy. That is not the question. The regulation has been issued. Criminal proceedings are staring our taxpayers in the face who do not file a copy, and the purpose of this law is to minimize the possible harshness of the existing statute, which might affect any person who does not file his return.

Mr. TABER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TABER. Does not the gentleman think that this provision for a fine and imprisonment that is now on the statute books should be repealed, and would not the gentleman join in an effort to repeal it?

Mr. McCORMACK. That is not the question before us today.

Mr. TABER. Well, it should be.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. That is not the question before us today. We are not confronted with that question. I might join with the gentleman, but that is not the question, and that is where many Members are confused. A regulation has been issued calling for a copy. We must consider our local governments. As long as this law is on the statute books are we going to compel our States, cities, and towns to spend money sending men down to Washington to examine the returns?

Mr. FIESINGER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FIESINGER. When was the regulation adopted, about which the gentleman is speaking?

Mr. McCORMACK. The regulation was adopted by the Commissioner of Internal Revenue by reason of the act of last year.

Mr. FIESINGER. But when was it adopted?

Mr. McCORMACK. I could not answer that; but it was subsequent to the law of last session, a compromise between the two Houses on the differences existing, going into effect.

Mr. FIESINGER. We did not file any green slips last year, did we?

Mr. McCORMACK. No.

Mr. CRAWFORD. If the gentleman will yield, regulation no. 6 came out just a few days ago.

Mr. McCORMACK. I think it was longer than that. In any event, the regulation was issued subsequent to the going into effect of the law of last year. Our local officials are entitled to consideration as long as this law is on the statute books. Why compel them to come to Washington to examine these returns? This is not a question of the repeal of a law. As the matter presents itself today, we have to consider the expenses of our local governments, and the convenience of both Federal and State and local officials. I am just as jealous as any other Member of protecting the rights of American citizens. I oppose full publicity. I opposed the pink slip of last year. I might join in the repeal of the existing law, which is not before us today; but looking at the evidence honestly as it presents itself to me, I see this bill as helping the taxpayer and helping our local governments. I can see nothing offensive about this bill at all. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. KENNEY].

The question was taken; and on a division (demanded by Mr. KENNEY) there were—ayes 33 and noes 71.

So the amendment was rejected.

Mr. JENKINS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENKINS of Ohio: Page 2, after line 16, insert the following:

"Provided, That all penalties herein provided shall be in lieu of all other fines, penalties, and imprisonment provided for the same defaults."

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against this amendment that it is not germane to this section or to the bill. Certainly by indirection it cannot do something that cannot be done directly, as was pointed out a few moments ago in the argument I made in support of the point of order made at that time.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. JENKINS of Ohio. Yes; I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JENKINS of Ohio. Mr. Chairman, this amendment has been prepared carefully and logically fits in at the close of the last word of this proposed legislation. It deals with material that is included in the resolution and nothing else. The bill provides some sort of fine or penalty. One might feel that there is some question as to whether it provides a fine or a penalty or an assessment, but whatever would be the proper denomination, there is no question that if a taxpayer fails to file this copy, something will happen to him.

All this amendment does is to specify specifically whether this man who violates this law is going to be up against both barrels of the same gun or whether he is going to be shot by one barrel at a time; that is all it does. It has no extraneous implication or uncertain literary effect. It is not hard to understand. It means but one thing, and that it it limits what you propose to do in the bill. It must be germane.

Mr. COOPER of Tennessee. Mr. Chairman, I simply want to supplement my previous statement by inviting the attention of the Chair to the fact that all this bill does is to provide an additional assessment. It does not relate to any question of penalty or any question of imprisonment. None of the subject matter incorporated in the gentleman's amendment is either incorporated in or referred to in the pending bill.

Mr. TABER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. TABER. Mr. Chairman, this act provides a penalty of from \$5 to \$10 for violation of certain things, that is for failure to file this copy of the return. It, therefore, makes germane any amendment which deals with the penalty for that violation. An amendment, therefore, which provides that this particular fine and imprisonment shall be in lieu of other fines and imprisonment is germane.

The CHAIRMAN. The Chair is ready to rule.

The Chair believes this bill does not deal with penalties in any way. The point of order, therefore, is sustained.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, briefly, when a person displays ignorance, of course, he likes to be corrected. I made a remark that one of the annoying things in connection with this duplicate return was that, instead of charging 50 cents, the notary public would charge \$1, as was done to me. The gentleman from Tennessee in his joking way said it was no argument that I should feel badly about the 50 cents; that if I did, he would pay it back to me.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Not yet; I will yield in a moment.

Mr. COOPER of Tennessee. I think the gentleman is honoring me unjustly with his references. He should pay the honor to whom it is due.

Mr. GIFFORD. Perhaps I am wrong about that; but anyway, I carefully looked over a tax blank and found that I apparently acted quite correctly. I then walked over to the gentleman and asked him about the information. I think we all should have it. Certainly the gentleman from Tennessee is a tax expert and he gets his knowledge immediately.

It was seemingly regarded of sufficient importance, so that on February 18, 1936, the Treasury did make a regulation that one need not pay the notary public for making out that duplicate return; but that regulation came rather late. All these blanks have been put out. The people do not know it and they will probably pay for two affidavits. It is a small matter, but it is another of those very annoying things connected with the income tax, as I said before. The hiring of somebody to help you make out the return, the bookkeeping, the difficulty of recovering overpayments—all these things added together, according to the figures of one of the greatest experts on the subject, amount to \$400,000,000. This is the cost to our citizens merely for making out the returns.

I have simply called attention to another little irritation. I hope I have now apologized sufficiently for my lack of information, but the gentleman himself only knew it on February 18, just a few days ago.

Mr. VINSON of Kentucky. Mr. Chairman, if the gentleman will yield, I did not know it until today, and I gave the gentleman the source of my information at that time. I do not think the gentleman from Massachusetts should be blamed for not knowing about that regulation. I do not think we ought to hold it against him for a split second.

Mr. GIFFORD. I am glad to have the gentleman's statement, but he did so delight in showing up my ignorance. [Laughter and applause.]

[Here the gavel fell.]

The CHAIRMAN. Under the rule the Committee rises. Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BERLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, pursuant to House Resolution 437, he reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered on the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BACHARACH) there were—ayes 110, noes 63.

Mr. BACHARACH. Mr. Speaker, I make the point of no quorum and object to the vote on that ground.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-three Members present, a quorum.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 268, nays 96, answered "present" 1, not voting 65, as follows:

[Roll No. 32]

YEAS—268

Adair	Cannon, Mo.	Cross, Tex.	Duncan
Ashbrook	Cannon, Wis.	Crosser, Ohio	Dunn, Miss.
Bankhead	Carmichael	Crowe	Dunn, Pa.
Barry	Carpenter	Cullen	Eagle
Bell	Cartwright	Cummings	Edmiston
Berlin	Cary	Curley	Ellenbogen
Biermann	Castellow	Daly	Evans
Binderup	Celler	Darden	Faddis
Bland	Chandler	Deen	Farley
Blanton	Chapman	Delaney	Fernandez
Boehne	Citron	Dempsey	Flesinger
Boileau	Claiborne	DeRouen	Fletcher
Boland	Clark, N. C.	Dickstein	Ford, Calif.
Boykin	Cochran	Dies	Ford, Miss.
Boylan	Coffee	Dietrich	Frey
Brooks	Colden	Disney	Fuller
Brown, Ga.	Colmer	Dobbins	Gambrill
Brown, Mich.	Connery	Dockweiler	Gasque
Buchanan	Cooper, Tenn.	Doxey	Gavagan
Buck	Cox	Drewry	Gehrman
Buckler, Minn.	Cravens	Driscoll	Gilchrist
Burch	Crawford	Driver	Gildea
Burdick	Creal	Duffey, Ohio	Gillette
Caldwell	Crosby	Duffy, N. Y.	Gingery

Goldsborough	Lambeth	O'Malley	Smith, Va.
Granfield	Lanham	O'Neal	Smith, Wash.
Gray, Pa.	Larrabee	Owen	Smith, W. Va.
Green	Lea, Calif.	Palmisano	Snyder, Pa.
Greenway	Lee, Okla.	Parks	South
Greenwood	Lemke	Patman	Spence
Greever	Lesinski	Patterson	Stack
Gregory	Lewis, Md.	Patton	Starnes
Griswold	Lucas	Pearson	Stefan
Haines	Luckey	Peterson, Ga.	Stubbs
Hamlin	Ludlow	Pettengill	Sumners, Tex.
Hancock, N. C.	Lundeen	Peyser	Sweeney
Harlan	McClellan	Pfeifer	Tarver
Harter	McCormack	Pierce	Taylor, Colo.
Hennings	McFarlane	Polk	Taylor, S. C.
Higgins, Mass.	McGehee	Rabaut	Terry
Hildebrandt	McGrath	Ramsay	Thom
Hill, Ala.	McKeough	Ramspeck	Thomason
Hill, Knute	McLaughlin	Randolph	Tolan
Hill, Samuel B.	McSwain	Rankin	Tony
Hobbs	Mahon	Rayburn	Turner
Houston	Maloney	Reilly	Umstead
Huddleston	Mansfield	Richards	Utterback
Hull	Marcantonio	Richardson	Vinson, Ga.
Imhoff	Martin, Colo.	Robertson	Vinson, Ky.
Jacobsen	Mason	Robinson, Utah	Wallgren
Jenckes, Ind.	Massingale	Rogers, N. H.	Walter
Johnson, Okla.	Maverick	Rogers, Okla.	Warren
Johnson, Tex.	May	Rudd	Wearin
Johnson, W. Va.	Mead	Ryan	Weaver
Jones	Merritt, N. Y.	Sabath	Welch
Keller	Miller	Sadowski	Werner
Kennedy, Md.	Mitchell, Tenn.	Sanders, Tex.	West
Kennedy, N. Y.	Monaghan	Sandlin	Whelchel
Kerr	Moran	Sauthoff	White
Kleberg	Moritz	Schneider, Wis.	Whittington
Kloeb	Mott	Scott	Wilcox
Kniffin	Murdock	Scrugham	Williams
Knutson	Nelson	Secrest	Withrow
Kocialkowski	O'Brien	Shannon	Wood
Kopplemann	O'Connell	Sirovich	Woodrum
Kramer	O'Connor	Sisson	Young
Lambertson	O'Leary	Smith, Conn.	Zimmerman

NAYS—96

Allen	Engel	Lehlbach	Rich
Andresen	Englebright	Lewis, Colo.	Risk
Andrew, Mass.	Fish	Lord	Robison, Ky.
Arends	Focht	McAndrews	Rogers, Mass.
Bacharach	Fulmer	McLean	Schaefer
Bacon	Gearhart	McLeod	Schuetz
Beam	Gifford	McMillan	Shanley
Blackney	Goodwin	Maas	Short
Bolton	Guyre	Main	Snell
Brewster	Gwynne	Mapes	Stewart
Burnham	Halleck	Martin, Mass.	Sullivan
Carlson	Hancock, N. Y.	Merritt, Conn.	Sutphin
Carter	Hart	Michener	Taber
Church	Hartley	Millard	Taylor, Tenn.
Cole, N. Y.	Hess	Norton	Thompson
Collins	Hoffman	Parsons	Thurston
Cooper, Ohio	Hollister	Perkins	Tinkham
Costello	Holmes	Pittenger	Turpin
Culkin	Hope	Plumley	Wigglesworth
Darrow	Jenkins, Ohio	Powers	Wilson, Pa.
Dirksen	Kahn	Ransley	Wolcott
Dondero	Kelly	Reece	Wolfenden
Elcher	Kenney	Reed, Ill.	Wolverton
Ekwall	Kinzer	Reed, N. Y.	Woodruff

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—65

Amle	Crowther	Hook	Russell
Andrews, N. Y.	Dear	Kee	Sanders, La.
Ayers	Dingell	Kvale	Schulte
Barden	Ditter	Lamneck	Sears
Belter	Dorsey	McGroarty	Seger
Bloom	Doutrich	McReynolds	Somers, N. Y.
Brennan	Eaton	Marshall	Steagall
Buckbee	Eckert	Meeks	Thomas
Buckley, N. Y.	Fenerty	Mitchell, Ill.	Tobey
Bulwinkle	Ferguson	Montague	Treadway
Casey	Fitzpatrick	Montet	Underwood
Cavichia	Flannagan	Nichols	Wadsworth
Christianson	Gassaway	O'Day	Wilson, La.
Clark, Idaho	Gray, Ind.	Oliver	Zioncheck
Cole, Md.	Healey	Peterson, Fla.	
Cooley	Higgins, Conn.	Quinn	
Corning	Hoepfel	Romjue	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Doughton (for) with Mr. Treadway (against).
 Mr. McReynolds (for) with Mr. Wadsworth (against).
 Mr. Schulte (for) with Mr. Crowther (against).
 Mr. Gray of Indiana (for) with Mr. Ditter (against).
 Mr. Romjue (for) with Mr. Seger (against).
 Mr. Bloom (for) with Mr. Christianson (against).
 Mr. Gassaway (for) with Mr. Higgins of Connecticut (against).
 Mr. Amle (for) with Mr. Thomas (against).
 Mr. Belter (for) with Mr. Buckbee (against).
 Mr. Fitzpatrick (for) with Mr. Tobey (against).

Mr. Flannagan (for) with Mr. Eaton (against).
 Mr. Steagall (for) with Mr. Andrews of New York (against).
 Mr. Somers of New York (for) with Mr. Marshall (against).
 Mr. Dingell (for) with Mr. Cavicchia (against).

General pairs:

Mr. Bulwinkle with Mr. Doutrich.
 Mr. Oliver with Mr. Fenerty.
 Mr. Sears with Mr. Kvale.
 Mr. Nichols with Mr. Eckert.
 Mr. Lamneck with Mr. Dear.
 Mr. Cooley with Mr. Kee.
 Mr. Sanders of Louisiana with Mr. Quinn.
 Mr. Corning with Mr. Wilson of Louisiana.
 Mr. Meeks with Mr. Montet.
 Mr. Cole of Maryland with Mr. Clark of Idaho.
 Mr. Mitchell of Illinois with Mr. Buckley of New York.
 Mr. Ferguson with Mr. Healey.
 Mr. Russell with Mrs. O'Day.
 Mr. Barden with Mr. Hook.
 Mr. Casey with Mr. Montague.
 Mr. Zioncheck with Mr. Brennan.
 Mr. Underwood with Mr. McGroarty.

Mr. O'BRIEN changed his vote from "nay" to "yea."

Mr. CONNERY. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. HEALEY, is unavoidably absent on official business. If present, he would vote "yea."

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. DORSEY, is absent on account of illness in his family. If present, he would vote "yea."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I wish to announce that my colleague the gentleman from Oklahoma, Mr. GASSAWAY, is unavoidably detained on account of illness. If present, he would vote "yea" on the bill.

Mr. DOUGHTON. Mr. Speaker, I voted "yea", but I have a general pair with the gentleman from Massachusetts, Mr. TREADWAY. I note that he did not vote, and I do not know how he would have voted if present. I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded, and a motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. DRIVER, from the Committee on Rules, reported the following privileged resolution which was referred to the House Calendar and ordered printed:

House Resolution 446

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 8998, a bill "To enable the Commodity Credit Corporation to better serve the farmers in orderly marketing and to provide credit and facilities for carrying surpluses from season to season." That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record, and to include therein a statement filed by certain small businessmen with the President of the United States in regard to legislation for their benefit.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. May I inquire just what is this request?

Mr. PATMAN. It is not a long statement, I may say to the gentleman from New York. The representatives of small businessmen were here a few days ago and called on the President of the United States. They delivered to him a statement in reference to what they would like to see passed in the form of legislation. The retail grocers, retail druggists, and other small enterprises of the Nation were represented. The statement is not long, and I should like to include it in the Record.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, are not the same statements included in the hearings held before the committee?

Mr. PATMAN. No; they are not in the record, and they do not appear in the report of the hearings.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE NATIONAL CONFERENCE OF INDEPENDENT BUSINESSMEN, INDEPENDENTS' DAY AT THE NATIONAL CAPITAL, MARCH 4, 1936

Mr. PATMAN. Mr. Speaker, to demonstrate their interest in the enactment of the Robinson-Patman bill now pending in Congress, some 1,700 independent distributors and producers came to Washington and met at Constitution Hall March 4 for the National Conference of Independent Businessmen, independents' day at the National Capital. They came from 37 States especially to attend this gathering and to see their Congressmen and Senators in behalf of the Robinson-Patman bill which is designed to end the long era of price discrimination. Many of those attending, particularly from the more distant States, were specially delegated by groups of independent businessmen to represent them and understand their expenses were paid by these groups. Among the more distant States represented were California, Idaho, Colorado, Arizona, Nebraska, North Dakota, New Hampshire, Texas, Oklahoma, and Florida.

At the two sessions held on March 4 addresses were made by Senator JOSEPH T. ROBINSON who introduced the bill in the Senate, Senator MILLARD E. TYDINGS, of Maryland, Congressman GERALD J. BOILEAU, of Wisconsin, an ardent supporter of the bill, and myself.

In addition to addresses by these national legislators, illuminating and enthusiastic talks were made by Mr. John M. Pohlhaus, director of the National Association of Retail Grocers; Mrs. H. J. Holmes, the wife of Mr. H. J. Holmes, of Holmes-Wildhaber Co., wholesale grocers of Omaha, Nebr., and a director of the Omaha Women's Club; Mr. B. S. Smith, a retail druggist of Ottumwa, Iowa; Mr. Herbert P. Sheetz, managing director of the National Retail Hardware Association; Mr. C. J. Burger, secretary of the National Independent Tire Dealers' Association; and H. C. Petersen, secretary-manager of the National Association of Retail Grocers.

State delegations were organized at the close of the morning session, March 4, and many dinners, luncheons, and conferences with Senators and Representatives were arranged and held on both March 4 and March 5. These delegations sent to the headquarters of the sponsoring associations most encouraging reports of their interviews with Congressmen and Senators. No effort was made to intimidate any Member of Congress. They merely presented their problems and asked for relief.

As the climax of the great gathering a committee for the conference, and representing also their individual associations, called upon President Roosevelt at the White House on Thursday afternoon, March 5, and presented to him a statement on the need for the enactment of the Robinson-Patman bill at the present session of Congress.

The committee representing the conference and also the associations of which the members of the committee are officials was as follows: Mr. J. A. O. Preus, ex-Governor of Minnesota, and now general counsel of the National Association of Retail Druggists, who made the presentation to the President in behalf of the committee; Mr. J. W. Dargavel and Mr. Rowland Jones, Jr., secretary and Washington representative, respectively, of the National Association of Retail Druggists; Mr. J. H. McLaurin, president, Mr. A. C. McCune, director, and Mr. R. H. Rowe, executive vice president of the United States Wholesale Grocers' Association; Mr. R. H. Huber, president, and Mr. Paul Fishback, secretary, of the National Food Brokers' Association; Mr. H. C. Petersen, secretary-manager, and Mr. L. E. Foy, director, of the National Association of Retail Grocers; and Mr. C. J. Burger, secretary of the National Independent Tire Dealers' Association.

The presentation to the President, made by this committee, was as follows:

The platform adopted by the Democratic National Convention in 1932 contains the following paragraph:

"We advocate the strengthening and impartial enforcement of the antitrust laws, to prevent monopoly and unfair trade prac-

tices, and revision thereof for the better protection of labor and the small producer and distributor."

That same platform "favored the restoration of agriculture" and the "spread of employment" for labor, and the "full measure of justice and generosity for all war veterans."

The platform closed with the pledge of the nominees of the convention to the philosophy of "Equal rights to all; special privileges to none."

A convention of delegates now here in Washington assembled, sent by smaller producers, distributors, and other independent business units in all parts of the Union, respectfully brings to your attention:

1. Commendable efforts have been made by the administration to accomplish the restoration of agriculture.

2. Commendable efforts have likewise been made to improve the situation of labor.

3. Certainly, the veterans, disabled and sound, have been treated with a "full measure of generosity."

4. On this third anniversary of the inauguration of the present administration there remains unfulfilled the pledge to strengthen and revise the antitrust laws for the better protection of the small distributor and producer. There are no "equal rights to all." There are special privileges to few at the expense of many. There is a real threat of monopoly.

The little man in business, the small merchant and manufacturer here in conference, asks only equal rights to all. He asks no special privilege. He wants no special privilege. He asks an opportunity to compete on an equal basis with all his competitors, both large and small.

This conference represents to you, Mr. President, that more than 20 years ago the Congress enacted the Federal Trade Commission Act and the Clayton Act, designed to control the situation now become intolerable. These two laws, because of their narrowing provisions and exemptions, have been ineffective to cure or even control unfair-trade practices.

The need for their strengthening and enforcement was apparent to the writers of the platform of the Democratic Party, as it was apparent to all.

There is now before the Congress proposed legislation to accomplish the results earnestly desired and requested by small producers and distributors. The Robinson bill (S. 3154), as reported with revisions by the Committee on the Judiciary, is now before the Senate, and is accepted by this conference as effective for the purpose.

The purpose of this bill is the elimination of oppressive discriminations in the nature of price discounts, rebates, and allowances, and it attacks them in the forms that have been more prevalent and hurtful in actual practice, while it carefully safeguards real efficiency and economy wherever they may be found or however devised in the stream of production and distribution.

A copy of the committee report, containing the bill as revised in the light of its studies, is furnished herewith for your convenience.

The companion and identical bill, the Patman bill (H. R. 8442), now before the House of Representatives, is still detained for study in the Committee on the Judiciary of the House.

These bills can be enacted into law and the relief promised the little man in business can be effected if Congress will proceed to their consideration, debate, and vote without further delay.

It must be borne in mind that this impending legislation does not call for appropriations. The existing bodies of the Government—the Federal Trade Commission and the Department of Justice—with existing personnel can make it fully effective.

Therefore, Mr. President, this conference of small-business men does most earnestly request and urge that you give this proposal your immediate consideration.

It is hoped that if necessary you will address a message to the Congress urging that this business be considered of primary importance and brought forward for consideration and passage without further delay. All of industry needs and must have this relief from unfair methods of competition. These representatives of the small-business men in industry do now plead with you for your cooperation and support.

PHILIPPINE PROBLEMS AFFECTING THE UNITED STATES: OUTLINE OF—I. EFFECT OF PHILIPPINE INDEPENDENCE ON OUR INTERNATIONAL RELATIONS IN THE ORIENT; II. COMPETITION OF FOREIGN SUGAR WITH BEET SUGAR; III. COMPETITION OF PHILIPPINE COPRA AND COCONUT OIL WITH DAIRY PRODUCTS AND WITH LARD AND ANIMAL GREASES

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RYAN. Mr. Speaker, these remarks are made in order to give an account of the trip which the Vice President, the Speaker, the minority leader, and many other Members of the House and Senate made to the Philippines on the occasion of the inauguration of the Philippine Commonwealth.

I feel that this trip was made by me in the capacity of the Representative of the people of the Second Congressional District of Minnesota, and I feel that they are entitled to a full report on the journey.

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During the course of the trip I was able to view conditions in the Orient which are of grave significance to farmers in the United States and to those business interests in our country which compete with oriental producers.

It was not possible to view the conditions which our party saw in Japan, China, and the Philippines without drawing conclusions as to their economic importance to the United States, and I am going to briefly state my views on the important questions wherein our district may be affected by Philippine independence. These problems, in my opinion, are:

First. The general effect of Philippine independence upon the international relations of the United States in the Orient.

Second. Competition of Philippine sugar with beet sugar.

Third. Competition of Philippine copra and coconut oil with dairy products and with lard and animal greases.

INTERNATIONAL RELATIONS

As to the general effects of Philippine independence and our relations in the Orient:

The population of the Philippine Islands is approximately that of New York State—about 14,000,000. The islands are about 114,000 square miles in area. The Philippine Islands were ceded to the United States by Spain on April 11, 1899, at the conclusion of the Spanish-American War. Since that time it has been the avowed purpose of the United States to grant freedom to the islands when the Philippine people demonstrated their ability to govern themselves under a democratic form of government.

Filipino leaders have repeatedly requested independence, and on March 24, 1934, President Roosevelt approved the Tydings-McDuffy bill, which provided for the granting of complete independence to the Philippines. Under the terms of the bill all laws enacted by the Philippine Legislature are subject to the approval of the President of the United States, and the United States maintains supervision over Philippine affairs through a high commissioner stationed on the islands for a period of 10 years.

The bill further provides for gradual increases in the tariffs on Philippine exports to the United States commencing in 5 years, and provides for absolute withdrawal of American intervention in the islands on July 4, following the expiration of 10 years from the enactment of the bill. Since the United States has consistently maintained that she is not interested in territorial expansion, I believe that granting of freedom to the Philippines is in line with our foreign policy.

The Japanese Nation is, at the present time, exerting itself in a program of expanding its trade relations and its territorial limits. Japanese nationals have made great strides in their commerce and business relations in the Philippines. The members of our party were amazed at the extent to which the Japanese influence is felt in the islands. It is probable that, if American control of the Philippines continued, an eventual clash between American and Japanese interests would occur. Withdrawal of our flag will aid our Nation to avoid becoming embroiled in oriental international complications and from that standpoint is, in my opinion, a desirable step. If democratic government in the Philippines is a success, it may have an effect upon the growth of democracy in other oriental nations. If this occurs, the United States will have performed a world service by the establishment of the first successful oriental democracy.

SUGAR

As to Philippine sugar:

The consumption of sugar in the United States averages about 6,000,000 tons annually.

Under the provisions of the Jones-Costigan Act quotas are established based upon past production which allow the beet-sugar areas of the United States an annual production of approximately 1,555,000 short tons and the cane-sugar areas of Louisiana and Florida an annual production of 260,000 short tons, raw value.

The Philippines are allowed a quota of approximately 50,000 long tons refined sugar and 800,000 long tons raw sugar.

Hawaii is allowed approximately 956,000 tons raw value. Cuba is allowed approximately 1,900,000 tons. Philippine sugar is duty-free, while Cuban sugar pays a duty reduced by reciprocal trade agreement to 90 cents per hundred pounds. The balance of our consumption of sugar in this country come from Costa Rica and other areas.

There are great areas in the United States adaptable for sugar-beet production and there is great room for expansion of beet-sugar production in this country.

The effect of the Jones-Costigan quota law is to restrict further expansion of beet-sugar production in the United States in favor of Cuban and Philippine producers. This is an injustice to the farmers in the beet-sugar area and the potential beet-sugar area of the United States. Sugar beets return a comparatively high profit to producers as compared to other farm products. Therefore it is my opinion that beet-sugar production in the United States should be allowed to expand to its broadest limits, and insofar as the Jones-Costigan Act restricts this tendency it is, in my opinion, faulty.

American sugar-beet farmers should be permitted to name their own quotas and to produce to their full capacity before quotas are allowed to other territories.

Under the Tydings-McDuffy bill, which is the law which grants independence to the Philippines, provision is made that at the end of 5 years an excise tax of 5 percent of the full duty shall be imposed on Philippine sugar. This tax is to increase 5 percent per year until it reaches 25 percent in the tenth year of Philippine freedom. The effect of this will undoubtedly have a tendency to place beet-sugar producers in a better competitive position than heretofore.

It is my position on the sugar question that domestic sugar-beet farmers should be allowed to determine the capacity of their own production and to name their own quotas. Domestic beet producers should have the first call on the domestic market.

The ending of our connection and moral responsibility to the Philippines will no doubt encourage this result.

COPRA AND COCONUT OIL

As to Philippine copra and coconut oil:

Copra, which is the meat of the coconut, is exported to the United States in large quantities for pressing for the extraction of oil, which is used in the manufacture of oleomargarine, soap, and lard.

Copra and coconut oil, insofar as they are used for oleomargarine and lard, compete with American dairy and animal products.

Under an act now in force, an excise tax of 3 cents per pound is imposed upon these products. This tax is collected as a processing tax and is repaid by the United States to the producers in the Philippines. Its purpose and effect is to raise the price of butter and lard substitutes so that domestic products can successfully compete.

It has been argued that since the Philippines have been under our flag we should impose no penalties on their products. We had an opportunity in the Philippines to see coconut and copra mills in operation. Coconuts are very easily produced in large quantities and the labor employed has very low standards. The wages paid to the workers in the coconut mills which we visited was approximately 1 peso, or about 50 cents per day.

I believe in the maintenance of the excise taxes on such portions of copra and Philippine oils as compete with our agricultural products, because American farmers must be protected from competition with labor which works under the low standards existing in the Philippines.

The granting of independence to the islands will tend to relieve the United States from granting preferred treatment in this regard.

THE LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; and, pending that, I ask

unanimous consent that general debate continue for today, and at noon tomorrow we can, perhaps, arrive at a decision with respect to concluding the general debate, the time, of course, to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and myself.

Mr. POWERS. Mr. Speaker, may I say to the gentleman from Pennsylvania I have now a number of requests for time, and I expect considerably more tomorrow. In view of this, could we not go on with general debate today and tomorrow and come to an understanding on Thursday as to just what we intend to do?

Mr. SNYDER of Pennsylvania. That will be agreeable to me, and I amend my request in that respect.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11691, and, pending that, asks unanimous consent that general debate continue during today and tomorrow, to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and himself. Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11691, the legislative appropriation bill, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield myself such time as may be necessary for me to complete my statement.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 1 hour.

Mr. SNYDER of Pennsylvania. Mr. Chairman and Members of the Committee of the Whole, the bill which is before you today is that making appropriations for the legislative branch. We feel that it makes adequate provisions for our activities up here, and, at the same time, we feel that it is a bill that has been prepared with due regard for the Public Treasury.

This is not a departmental measure. It is our own house-keeping, and while there are a few activities that are not strictly legislative in character, they have by custom been regarded as a part of the legislative establishment. This is particularly true of the Library of Congress, which has become a great national library, developed and fostered under the intimate direction of Congress. Also in this category is the Botanic Garden and some of the activities of the Government Printing Office. While these agencies fall in the general class of "legislative", they are not, strictly speaking, except in a limited way, an actual expense incident to the functioning of Congress.

The bill contains 103 appropriation items. In only one instance in that total number has there been an increase above the amount of the estimate for the item. That concerns a matter of service to the House, about which I will speak later. It is fair to state, however, that the Budget estimates for this bill do not pass the scrutiny or revision of the Executive as do departmental estimates. The law prohibits that, so the estimates we consider here are the estimates of the respective officials in charge of our activities in this branch of the Government.

The total carried by the bill before you is \$23,294,468. This sum is a net decrease under 1936 of \$640,092.73, and a decrease under the estimates of \$877,203.

The bill may be termed, except for two items, a strictly maintenance and operation measure. The only unusual items are the amount of \$2,225,000 for continuing construction of the Library Annex and \$210,000 for permanent improvements in connection with the power plant. With those eliminated, we have left a total of \$20,859,568.

Not all of this, however, can be regarded as truly the cost of Congress and the maintenance of our legislative buildings. If we deduct from this total the Library of Congress, that part of the Government Printing Office which is not concerned with printing and binding for Congress, and the

Botanic Garden, we have left the sum of \$16,242,387, which comes more nearly telling the story of the actual appropriation in this bill for the Congress than the amount of \$23,294,468, which is the grand total of the measure. When we visualize the maintenance of these fine buildings—the Capitol Building, the House Office Buildings, the Senate Office Building—and the fine park comprising more than 100 acres which surrounds them, and then realize that this amount of \$16,000,000 covers also the salaries and mileage of all Members and Senators, the pay of their secretaries and the committee employees, the telegraph and telephone, and other operating expenses, the vast amount of printing and binding incident to the business of the two Houses, I believe it can truthfully be said that \$16,000,000 is not an extravagant figure.

We have not changed the Senate. In accordance with our past practice, we have appropriated for Senate items either the Budget estimate or the amount of the current law, whichever was the lower figure, and left to the determination of that body any question involving any increases over the 1936 appropriations. Wherever there were decreases in Senate items coming as an estimate we have taken the decreased figure.

HOUSE OF REPRESENTATIVES

The total for the House is \$8,302,108, a net decrease of \$101,602 under 1936 and \$68,156 under the estimates.

We made a few increases, totaling \$45,566, which consist of the following: Two additional telephone operators, at \$1,560 each; six additional pages during the session, at a cost of \$724 each; to carry out House Resolution 313 of last session increasing the pay of certain employees, \$5,020; filing cases for Members' offices, \$2,250; reserve operating fund, House restaurant, \$15,000; telegraph and telephone, \$5,000; reporting committee hearings, \$5,000; folding speeches, \$6,000.

These increases, we feel, are thoroughly justified. The telephone switchboard is badly crowded and two additional positions need to be cut in, and the new operators are for that purpose. They are urgently asked by the chief operator, Mrs. Daly. We have prompt and efficient service, and we want to keep it so. The six pages were earnestly asked by the Doorkeeper. This is the only item in which we raised the estimates, as I mentioned earlier in my statement. The number of pages is the same as in the Fifty-sixth Congress, when there were about 100 less Members than we have now. Since that time the two office buildings have been constructed. The Doorkeeper says there are occasions now when the page benches are almost empty because of the boys being engaged in getting bills and documents and delivering them to the other buildings. He believes six more boys will help greatly to improve the service. They will be paid only when Congress is in session. We have also added small amounts to the telegraph and telephone items and one or two other miscellaneous appropriations where experience has demonstrated that existing appropriations are habitually insufficient.

We have added \$15,000 on account of the House restaurant at the solicitation of Chairman WARREN of the Committee on Accounts, who has charge of it. He appeared before the subcommittee and outlined to us some of his difficulties, and we felt that he should have this sort of a fund as a reserve against an operating deficit. For a time he was able to make ends meet down there. But since salaries have gone back to a 100-percent level, foodstuffs have gone up in price, the House is adjourning regularly from Friday to Monday, and it is impossible with the five meals a week to break even at all times. Mr. WARREN is doing a good job with that institution. We must have it for our convenience, and if there is a loss we must stand it. You cannot raise prices sufficiently to break even. If you do no one will eat there. I might say that prior to Mr. WARREN's time we customarily had a regular deficit, and I think we will always have one of some degree. Credit is due the chairman of the Committee on Accounts for handling a rather discouraging and sometimes unappreciated job very well. He has accepted his responsibility and is rendering a service to us as Members that we should perhaps more fully give him due credit for.

We have not allowed all the amounts that were asked by the officers of the House. We cut \$33,906 from their estimates.

There is a further reduction in the estimates of \$34,250 resulting from the decrease of the Resident Commissioners of the Philippine Islands from two to one and the transfer of the expenses of that one from the United States to the Philippine Government. That comes about as the result of the Philippine Independence Act and enabled us to eliminate the salary, mileage, stationery, and clerk-hire allowances for these two offices.

ARCHITECT OF THE CAPITOL

For all of the activities under the Architect's direction, we provide a total of \$4,202,924, a net decrease of \$344,738 under 1936, and a decrease under his estimates of \$375,057.

I will not weary you with the details of all the changes we have made in these appropriations, but several of them stand out and I shall mention those. There is an item of \$108,750 for replacement of electrical substation switching equipment. There are three of such substations—one in the Capitol Building, one in the Senate Office Building, and one in the old House Office Building. They have about the same equipment, and about the same amount is involved for the machinery for each. This equipment consists of motor-generator sets, circuit breakers, and controlling devices for converting the 6,600 volts, alternating current, to a safe working voltage for use about the various buildings for light and power. The machinery in use is the original installation and is more than 25 years old. We were advised that it is inadequate and hazardous and obsolete. In case of a break-down, spare parts have to be made to order. These stations are the keys to our light and power in these buildings. In case of a serious short circuit or break-down, the particular building involved would be up against it for light and for power for elevators until it could be put in service again. The chief electrical engineer strongly recommends the rehabilitation of these stations and relying on his judgment we have concurred in the recommendation.

A smaller item, but somewhat important, is \$25,000 for renovation of the sewer within the north side of the Capitol Grounds, extending from the Supreme Court Building on the east to the west boundary of the old grounds. This is a brick sewer, built sometime prior to 1875. It is sagging and out of shape. Several collapses have occurred in its walls and caused overflows of the Capitol Grounds.

At the Capitol power plant we have made provision for some roof repairs and also inserted an item of \$210,000 for improvements consisting of work at the intake and pump house at the Potomac River, additional pumping facilities and piping changes at the power plant, and additional water-supply connections. This change is primarily brought about by the installation of the air-conditioning system which will take place this summer in the Capitol and office buildings. The refrigerating machinery will be driven by steam and it will take 100,000 pounds of steam per hour for that. A tremendous amount of water will also be needed for the air-conditioning system. In addition to the necessity of caring for the air conditioning there is a shortage of water supply for the power plant. It is not possible to operate both of the large turbines at once because of the shortage of water. The power plant will shortly be called upon to service the new Library Annex and the new buildings at the Government Printing Office. While not all of the \$210,000 is required for the air conditioning, it does involve improvements needed for these new buildings I have mentioned, and the committee felt it good business to combine the two, inasmuch as they involve parallel operations in each case. While on the subject of the power plant, I would call attention to an item of \$200,000 for cinder-catching equipment to eliminate the soot and smoke nuisance. We did not allow that item.

Congress recently passed a new smoke law for the District of Columbia. I doubt if anyone knows whether it is applicable to Federal property. The Architect seemed to feel that he should make an effort to comply with it. There was some testimony of complaints from persons in that neighborhood of smoke and cinders in the summertime, but the subcom-

mittee was not convinced that the plant was a nuisance, and has eliminated the amount for the time being at least. The new smoke law here is not in full effect yet because the Commissioners have not made the regulations, but it will soon be in operation, and we may learn something about it later. If the plant constitutes a real nuisance to the neighborhood and is a menace to the citizens there we should make this installation, but it is a very costly proposition and should only be undertaken after most careful study.

Mr. BOLTON. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. SNYDER of Pennsylvania. I yield.

Mr. BOLTON. I simply want to ask the gentleman in connection with the smoke nuisance here whether he thinks the attitude of the committee in disallowing this item may prejudice any future action in favor of a proper smoke-control law in the city of Washington.

Mr. SNYDER of Pennsylvania. I may say, in answer to the question of the gentleman from Ohio, that this was looked upon by the subcommittee from every angle, and, inasmuch as we did not have any definite information as to whether this law applied to Government buildings or not, we did not feel justified in adding this additional \$200,000 at this time, or until we got something definite from the Commissioners having charge of the enforcement of this law.

Mr. BOLTON. I assume the gentleman is in favor of proper regulation of the smoke nuisance here.

Mr. SNYDER of Pennsylvania. I am, and I may say that your committee is in favor of that.

Mr. LORD. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LORD. I notice there is an item here for telephones and telegrams, which is some \$5,000 more than last year. On account of this session being, perhaps, a short one, I wondered why this item is increased over the amount carried last year. I would have presumed it would be decreased.

Mr. SNYDER of Pennsylvania. I shall ask the gentleman from California, a member of this subcommittee, Mr. Dockweiler, to answer that question.

Mr. DOCKWEILER. If I understood the gentleman's question correctly, it was why the telephone and telegraph item was not decreased rather than increased in this particular supply bill. I may say that during the last few years it appeared from the testimony before our committee that the use of telephone and telegraph services had increased to such an extent that we were really asked to supply more money than we did. I believe the amount requested was somewhat in excess of \$100,000, but we reduced it to \$95,000, which, of course, is an increase over last year of \$5,000.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LUDLOW. This appropriation would be applicable to the next fiscal year and not this fiscal year, and therefore the gentleman's point is not well taken.

Mr. LORD. Last year, Mr. Chairman, as I read the bill, we only needed \$90,000, and we are increasing this for the next year. Why not practice a little economy? Where is the money coming from?

Mr. TABER. Mr. Chairman, if the gentleman will permit, as I understand it there was \$105,000 appropriated for last year, including the deficiency, but only \$92,000 was spent. In view of the fact we had a long session last year and the probabilities are the session will be 4 or 5 months shorter this year, and we will not have a summer session, I notice the papers are commenting on our increasing this amount, and I am wondering if it would not be better if we could cut this down to \$90,000, the amount that was provided last year.

Mr. SNYDER of Pennsylvania. I will say to my friend from New York that we took that under advisement.

The Library Annex comes in this bill for the first time and we provide \$2,225,000 for continuing construction. Under authority of an act approved June 6, 1935, the contract for the superstructure was entered into on June 12, 1935, at a cost of \$6,269,400. There is nothing we can do but appropriate the money to make the progress payments under that contract. The entire cost of the building, including furnish-

ings and equipment, is \$9,366,400, of which \$2,975,000 has heretofore been made available. The total cost of the building and site is estimated at \$10,284,141.94.

Mr. BOLAND. Will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. BOLAND. The gentleman from New York asked a question in relation to raising the item for telegraph and telephone and said that the committee would take it under advisement. Did not the committee consider that question when they were considering the bill?

Mr. SNYDER of Pennsylvania. Yes; otherwise we would not have put the item in.

Mr. BOLAND. It seems to me that answers the question of the gentleman from New York.

Mr. SNYDER of Pennsylvania. I might say to the gentleman from Pennsylvania that I thought that perhaps the gentleman from New York had some additional information that he could present to the committee, and the committee is always open-minded.

Mr. BOLAND. I understood the gentleman to intimate that it might be taken up in the committee.

Mr. TABER. No; I brought the matter up because I thought it ought to be considered when we reached that item in the bill. I had no idea of its being changed until we reached the consideration of the bill.

Mr. LUDLOW. Will the gentleman yield to me?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LUDLOW. This telephone and telegraph item last year had an appropriation of \$105,000. We are going to have a deficiency in 1936. It was on the basis of these facts that the amount was fixed for the next fiscal year, provision being made in the face of past experience. The amount which we have allowed is not too large, and there is some question whether it is large enough.

Mr. SNYDER of Pennsylvania. I may say, in addition to what my colleague from Indiana has said, that if I recollect correctly the Architect asked for \$115,000.

Mr. TABER. The expenditure last year was \$92,000, and there was a balance left over of \$13,000.

Mr. LUDLOW. That was only a part of it. There were a lot of bills left over that were not included, so that that does not express the whole expenditure. These bills are very slow about coming in. They come from all over the country, and there are a lot of unpaid obligations that are not included in the statement the gentleman has.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield to the gentleman.

Mr. DOCKWEILER. The Budget estimate was \$115,000, and we only allowed \$95,000 in this bill.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I would call your attention also to two items under the Architect which we did not allow. A request was presented for \$64,000 to install two additional elevators at the east entrance to the Senate wing. We did not approve it. There are four elevators in the Senate wing, of which two are especially set aside for use of Senators, leaving only two for the public and employees. There are four elevators in the House wing. With a larger membership and a larger gallery capacity than the Senate, the House gets along very well with four. I think the Members have only one elevator set aside exclusively for their use, and they share that with the press. This would be a very expensive installation. In my judgment it would disfigure somewhat the Senate wing and require an immense amount of expensive cutting through solid stone, as well as to require redecorating. The subcommittee did not see any justification for it.

Another item we eliminated is \$22,200 for new shelving of steel design and other modernization in the library under the space formerly occupied by the Supreme Court. Some of us felt that there was not enough use made of that library by Members and Senators to justify its continuance now that the Court has moved away. It is used largely by members of the District of Columbia bar and students, but they do not justify its continuance. We have asked to have a check made of its patronage and in the meantime have stricken out this item for these improvements. We have a

small library here on the floor, there is a library in the House Office Building, there is a library for the Senate on the Senate side, there is this law library, there is one in the Library of Congress, and one in the new Supreme Court Building. We should determine the future of this library before making these improvements costing \$22,000.

I will not enter into all of the details of the changes in the Architect's Department. We have added some mechanics to operate the new air-conditioning system, we have provided for necessary structural repairs in the various buildings, and taken care of the maintenance of the grounds. We did eliminate some requests of the Architect, among them salary increases totaling \$14,280. In no instance have we left out any item essential to the proper upkeep of the property or to its efficient functioning.

LIBRARY OF CONGRESS

The Library of Congress is a growing institution. It had added to it last year, by purchase of material and by the additions that come through copyright deposits, an increase of 187,000 printed books and pamphlets. In addition, it secured nearly 18,000 more maps and views, 15,000 volumes or pieces of music, and over 6,000 prints. The contents of the Library on June 30 last consisted of nearly 5,000,000 printed books and pamphlets, 1,337,000 maps and views, 1,131,000 pieces or volumes of music, and 534,000 prints.

We have carried in this bill, aside from the mechanical operation of the building, a total of \$2,509,025, which is a net increase of \$10,134.45 over 1936 and \$183,680 less than the estimates. The net increase of \$10,134 over 1936 really provides a larger increase. There were in 1936 nonrecurring items amounting to \$50,500, so that in reality we have granted the Library for 1937 increases amounting to \$60,634.45. The Librarian presented a request for 41 new positions with salaries aggregating \$66,900. These the committee did not allow.

We did allow money to cover the reallocation of positions under the grades of the Classification Act. That is a mandatory claim upon us under the Comptroller's decisions, and, while we feel that it should be soon completed, we did not feel that we could deny what has been done pursuant to law.

One matter of especial interest should be called to your attention. Last session the committee placed an item of \$10,000 in the bill to give a weekly digest to Members and Senators of general public bills. That publication is now coming to your offices. I believe it only started the last week in January or the first week in February. We ask you to make a check of its use in your office, so that next session you can advise us candidly whether it is of value. It was put in last session at the request of a number of Members who felt a need for some such service. The committee felt that the time for a trial was too short to determine its value, and the Librarian advised that \$10,000 was not enough, so we have increased the amount to \$15,000. Next session we will ask you for your sincere expression of opinion upon its continuance.

Mr. LAMBETH. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. LAMBETH. The gentleman just referred to a digest of public bills, which is very interesting. I do not recall having seen such a publication.

Mr. SNYDER of Pennsylvania. This was authorized last year. It was supposed to have started the first of this year. The first issue did not come out until about 6 weeks ago.

Mr. LAMBETH. Are we supposed to receive it in our offices?

Mr. SNYDER of Pennsylvania. Yes; the gentleman should receive it in his office.

Mr. LAMBETH. I thank the gentleman for his courtesy and patience. I just want to say that the gentleman's discussion of the matter interested me greatly, because I can see that such a publication would be of immense value to the Members. We are busy here with many duties, and to have such a service available would undoubtedly be helpful. I was prompted to rise because the gentleman stated the publication is now being issued and distributed to Members, though I have not seen it.

Mr. SNYDER of Pennsylvania. If my information is correct, six issues have gone out and they must have reached the gentleman's office.

Mr. LAMBETH. What is the exact title of it?

Mr. LUDLOW. If I may be permitted, the exact title is Digest of Public General Bills With Index.

Mr. SNYDER of Pennsylvania. Its color is just about like our calendars; and as it comes to the gentleman's office, I suppose his secretary might have mixed it up with something else and has not called it to his attention. As chairman of the committee I shall write to each of the secretaries of the Members and tell them to call it to the attention of the Members.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. BOLTON. Only to comment on the remarks of the gentleman from North Carolina [Mr. LAMBETH]. Like him, I am interested in this; but I am wondering if the distribution of it has been confined to gentlemen of the majority side of the aisle. I have never received any to my knowledge.

Mr. SNYDER of Pennsylvania. I can say to the gentleman that at least six copies must have come to his office in the last 6 weeks. It is nonpartisan.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. COSTELLO. I believe the sixth number of that Digest arrived in the office this morning.

Mr. SNYDER of Pennsylvania. Mr. Chairman, an increase of \$40,000 was asked for law books for the Supreme Court law library. We have been providing \$50,000 a year for several years past. Last year we raised it to \$90,000 to buy additional books for the new library in the Supreme Court Building. The additional \$40,000 was sought again this year as a permanent addition to the law-book purchase fund. The subcommittee understood it as a nonrecurring item and has denied the increase. We believe that \$50,000 for law books is a generous sum when compared to the \$115,000 which is provided for the purchase of all books other than law. If we should increase the permanent law-book fund to \$90,000 we should in fairness raise the amount for other book purchases by a proportionate amount, and this we feel is neither necessary nor desirable, considering the congested condition of the present building.

An increase of \$25,000 is carried for printing catalog cards for sale to other libraries. This service is not self-sustaining, but it is a revenue producer of some \$210,000 a year and provides a very valuable service to the libraries generally throughout the United States, in that it furnishes them the cataloging of a book for a cent and a half which would cost them a great deal more to perform otherwise.

GOVERNMENT PRINTING OFFICE

The appropriations for the Government Printing Office are unchanged except in one particular. At its last session Congress provided for the issuance and printing of a Federal register in which should be published daily for 5 days a week all Executive orders and regulations having the force of law and of general application. The publication of the Register was delayed due to the failure of the appropriation last session in the bill which was filibustered to death. It is scheduled to start this month under an appropriation made at this session. There was requested in this bill \$300,000 for that purpose for the next fiscal year. We ascertained that \$225,000 of that amount was for publishing the current Register and \$75,000 for printing and binding in volumes the past accumulations—that is, orders and regulations in effect at the time the Daily Register is first issued. The appropriation for the present year was cut down by the committee from \$295,000 to \$100,000 so as to eliminate the publication of these accumulations, and your subcommittee has acted accordingly. We feel that before a vast amount of accumulated material is printed we should have a definite knowledge of how valuable it is, what it will cost to publish, and then determine whether we want to make that appropriation. So we cut out the \$75,000. We also did another thing. Some of

us feel that this publication may not be as valuable as its sponsors thought it would be. Consequently we have provided only \$150,000 to carry it on until March 1, 1937. That will cover 8 months. We will have had nearly a year's opportunity to find out what use it is. If it is as valuable as it was supposed to be, the Congress will be in session and we can appropriate to continue it. If we feel that it is not valuable, it will perish for lack of funds.

I have given you the important items and perhaps too much of detail. There are many minor items I have not touched on, but the report on the bill is replete with those details and the hearings are explanatory. If there are any questions, I shall be glad to answer them and I thank you for being so considerate of this presentation. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, ladies and gentlemen of the Committee, war clouds are again hovering over the world. The nations of Europe are engaged in a feverish competition to determine which one can build up the most formidable and efficient war machine in the quickest possible time. Billions of dollars are being spent for this purpose and the productive genius of these unhappy people is being diverted from peaceful pursuits to the turbulent channels of war. Stern and autocratic dictators have seized the reins of power in many countries, and they are driving their unfortunate subjects nearer and nearer to the precipice of destruction and the whirlpool of blood. The smoldering embers of hate left by the last war are being fanned into the consuming flames of another world-wide conflagration, compared with which all previous wars will take on the appearances of a sham battle.

The nations who refused to pay the honest debt they owe us experience no difficulty in raising billions for military purposes. Even children of tender age are snatched from the schoolroom and subjected to rigorous military training. Women who furnish civilization with its humanizing and sobering influences are taught the uses of steel. The tender notes of the lullaby are transformed into the battle cry of hate and death. Once again Europe is separating into two armed camps. On one side may be Germany, Italy, Japan, and Austria-Hungary. On the other will be England, France, and Russia.

Where will America be? This is the most important question that confronts us. Upon its determination will depend the welfare and happiness of every American, and even the generations unborn. It is possible that the answer to this question will determine the continuation of free government in America. The answer of profit-seeking interests, meddling internationalists, and alien-minded groups will be war. To the predatory interests war holds out its filthy promise of enormous profits, gained at the expense of orphaned children, forlorn widows, and maimed soldiers. To the internationalists it presents the lure of meddling with the affairs of Europe. To the alien-minded groups it affords an opportunity to promote foreign interests, to the detriment of America and to gratify prejudices and hates imported from native lands.

But the answer of every patriotic American should be strict neutrality. The cry of the selfish may be war, but let the slogan of every citizen be "Keep America out of Europe and Europe out of America." With such a policy firmly fixed upon our statute books and in the administration of our foreign affairs, we can be assured of honorable peace and normal prosperity for ourselves and our children.

No other nation has more reason to maintain neutrality than America. The horrible ravages of the last war have left their indelible imprint upon the very soul of America. We are still staggering under the crushing burdens of war debts. Many of our veterans still drag their broken bodies through a world made desolate for them. There are still widows and orphans who grieve for the hero who never came back. The war threw out of gear our whole economic machinery and we have not been able to make it function properly since then. It created an artificial and temporary

demand for the products of our farms and factories. To supply this demand we expanded our productive capacity to the highest point ever attained. Land that was intended for grazing was planted to wheat or cotton. The scarcity of labor accelerated the invention and use of labor-saving devices. Mass production was substituted for the more orderly and dependable methods of former days. Young men were lured from farm to factory. The whole credit and financial structure was blown up like a balloon. Wild speculation took the place of sound investment. Conservative values were succeeded by fictitious appraisals. Aliens were imported by the thousands to furnish cheap pauper work for farm and factory.

Then came the crash with its dire consequences—bankruptcy, unemployment, hunger, debt, and despair.

It would seem that in view of this experience everyone in America could unite upon the principle and policy of strict neutrality, except where it is necessary to defend ourselves. But it is becoming evident every day that this is too much to be hoped for even from a people who paid the terrific price that America did. At this very moment there are powerful groups and blocs and interests who oppose real neutrality and who apparently want us to involve our Nation in the next war.

God forbid that their sinister influence shall prevail. One more foreign war will shake this Republic to its very foundation and put into jeopardy the liberty and freedom which we justly prize and which other countries have permitted to be stifled under the mailed fist and iron heel of militarism.

Mr. Chairman, I do not preach a doctrine of complete isolation. I am anxious for us to be a good neighbor to all nations and all peoples. I would cooperate with them in any sane plan to curtail armaments and maintain peace on earth, and I would cultivate the good will and friendship of every nation. But under no circumstances would I permit my country to become enmeshed in foreign entanglements. You can do business with a customer without involving yourself in his family or political disputes. The greatest contribution we can make to the peace and happiness of the world is to stay on our own shores, mind our own business, and work out our own salvation. It will not profit the cause of peace and freedom for us to follow the tragic example of Germany and Japan. Let us keep the torch of freedom and peace burning on the western shores so that the battle-scarred and unhappy children of men may see and take heart. One by one the nations of the earth are losing their liberty and reverting to medieval tyranny. In nearly every instance war was their downfall. Let us heed this tragic experience and avoid the path that leads to certain death and destruction.

We are separated by thousands of miles of ocean and natural barriers from Europe and Asia. God has been good to us. He gave us expansive prairies, mighty lakes, woodland stretches, fertile soils, and inexhaustible resources. There is no reason for us to wage a foreign war.

Mr. Chairman, I regard the neutrality bill that we passed in the previous session and continued this session as one of the greatest steps ever taken in the direction of American peace. Let us strengthen this measure from time to time and, more important still, let us crystallize public sentiment in favor of its proper administration. This bill prohibits the shipment of arms and ammunitions to belligerent countries. It declares our firm policy of remaining neutral. American interests who invest money abroad or who travel in war zones do so at their own peril. In the next war we have provided a method whereby wealth will be conscripted the same as man power. All alike will be required to serve unselfishly and without profit.

KEEP EUROPE OUT OF AMERICA

Not only must we keep America out of Europe, but we must keep Europe out of America. The very fact that one-third of our population is of foreign stock and that we have 16,500,000 foreign-born people in our midst and about 8,000,000 aliens proves that we have failed to do this in the past. The most acute problem that confronts us and the one which baffles every legislative attempt and administrative measure is unemployment. In spite of the 52-percent

increase in farm income and the 300-percent increase in the earnings of 166 great corporations, unemployment is still with us. The latest figures estimate that more than 12,000,000 men are out of work in spite of the billions of dollars that have been spent to furnish employment. The plain truth is, Mr. Chairman, that we imported unemployment from foreign countries. Since the World War more aliens entered this country than we have unemployed today. So long as our economic machinery was geared up to the highest peak ever known this imported labor could be employed without displacing American labor. But when the balloon exploded we were left with our imported unemployment problem.

I have shown, Mr. Chairman, in numerous newspaper articles that I have written for some of the great newspapers of this country that our unemployment was caused largely by immigration. My purpose in showing this was not to arouse hatred against our foreign-born people, nor to subject them to any character of persecution. It was natural for them to come to the United States where they could secure freedom and a higher standard of living. But I do condemn the policy and law which permitted them to enter, and I have pointed out in detail the serious results of immigration in an attempt to persuade the Congress to adopt a firm and permanent policy that will prevent this in the future.

There are today 50 percent more persons out of work in the United States than in all Europe. In Europe unemployment shrank by 8,000,000 last year. While we have given haven to 8,000,000 aliens—given them jobs or supported them on relief—8,000,000 employable Americans are jobless. In a remarkable degree it appears that European nations have recovered and brought about reemployment in proportion as we have taken over their surplus population. Figures from the International Labor Office in Geneva covering the year 1934 show:

Germany reduced unemployment by 671,897 that year, and she has sent us 665,000 immigrants since the armistice.

England put 188,614 back at work that year—171,801 of her citizens had come here since the war.

Italy's relief-rolls reduction was 238,235, and of her crowded population 250,000 came to our shores in a decade.

Is it any wonder, therefore, that we have 1,500,000 aliens on public and private relief and that approximately 6,000,000 aliens are holding jobs that would be filled by our own citizens if these aliens had not been imported to America?

By aliens, let me make it clear that I am speaking of unnaturalized foreign-born people in the United States.

Since I have been in Congress I have done everything in my power to stop the importation of foreign labor and to deport undesirable aliens. That the campaign I have vigorously waged has been successful insofar as legal entries are concerned can be proved by the immigration statistics. Before I came to Congress immigrants were entering this country legally at the rate of about 400,000 a year for the 10-year period prior to 1931. Since 1931, due to our insistence that the consuls reject all applicants who were likely to become public charges, legal entries have been reduced to a few thousand each year. Of course, this does not take into account the illegal entries who have continued to enter in large numbers, but it does show that substantial progress has been made. In addition to this, the record will show that I led the fight in opposition to the Dickstein bill, which would have virtually destroyed our immigration and deportation laws. We defeated this bill on the floor of the House and defeated similar measures which would have greatly weakened our present restriction.

Due to the strong opposition of powerful groups, I have not yet been able to get a vote on the Dies bill, H. R. 5921. The Immigration Committee refused to report this bill. After vainly attempting for several years to get the committee to report this bill and afford the House an opportunity to vote upon it, I was compelled to resort to the only other parliamentary method available to secure consideration of a bill. I filed a petition with the Speaker asking for the discharge of the Immigration Committee from further consideration of this bill and an immediate vote. Of course, under the rules of the House, 218 Mem-

bers have to sign this petition before the bill will come to a vote. In view of the strong opposition to my bill, it is very difficult to get 218 Members to sign it, but nearly a hundred have signed it, and eventually public sentiment is going to demand that this bill be acted upon by Congress.

The Dies bill will accomplish the following results:

First. Put the Western Hemisphere upon a quota basis the same as European countries. At present there is no numerical restriction insofar as the entrance of people from Mexico, Canada, South America, and Central America are concerned. There are millions of people living in these countries, and in the future millions of them will come to the United States unless we prohibit their entrance.

Second. The Dies bill will reduce all quotas 60 percent.

Third. Seventy-five percent of the remaining 40 percent will be required to be used to reunite families.

Fourth. Criminal aliens such as dope peddlers, gangsters, racketeers, and the like will be promptly deported.

Fifth. All aliens who fail to make a bona-fide effort to become American citizens within a reasonable time will be deported.

Sixth. The bill will practically solve illegal entries in the future.

Unless this bill is enacted into law millions of aliens will enter the United States in the next decade or so. This will mean that it will be impossible for us to solve the unemployment and relief problem. It will mean that American labor will continue to be displaced by foreign workers. It will mean that the big plantation and corporation farms will be able to cultivate thousands of acres with cheap pauper labor and thereby increase crop surpluses.

The Dies bill will not hurt any naturalized foreigner or any law-abiding alien who wants to become an American citizen. It will help these people just the same as it will the native-born Americans.

Practically every other nation has closed their doors to foreign immigration. In countries like Germany, France, Italy, Netherlands, Mexico, and so forth, no employer of labor can hire an alien until he can show the government that he cannot get a native citizen to fill the job. These other countries will not permit American citizens to hold jobs within their borders.

Few people realize that there are now some 2,500,000 aliens—mostly Mexicans—in our Southwest. Largely because of this about an equal number of American citizens are on relief there. Mexicans will work for less; every Mexican alien at work within our borders means an unemployed citizen. Fifteen million dollars a month is the relief bill for Texas, Arizona, New Mexico, and California. What a subsidy to pay in order that Mexicans may earn American dollars to send back home while tax burdens force American homes under the hammer and our citizens are forced into the bread lines.

KEEP EUROPEAN SYSTEMS OF GOVERNMENT OUT OF AMERICA

Not only must we keep Europe out of America in the form of cheap pauper labor, but we must prevent European ideas of government from succeeding in this country. In such countries as Germany, Italy, and Russia liberty is unknown. The citizen has no rights which cannot be taken away from him by a dictator. He can be arrested and thrown in jail without a warrant or legal cause. He can be tried without a jury. He is no more than a chattel in the hands of autocratic rulers. According to the European system of government, everything is for the state, nothing outside the state, and nothing against the state. Neither life nor liberty is safe in these countries.

There are groups and blocs in this country who would like to establish the European idea of government in America. There are those who would like a communistic form of government, while others want dictatorship. These ideas are all un-American and we must resist them to the limit of our power.

Mr. Chairman, in conclusion, permit me to say that while I do not profess the gift of prophecy, I am sure that if we will keep America out of Europe and Europe out of America, it will not be long until prosperity and happiness are restored in the United States. If we do not follow this wise

policy I can foresee nothing but misery and disaster for our beloved country. It is not Providence that is responsible for our woes. God has lavished upon this country the bounties and riches of nature. He has given us more than any other country on earth possesses. If we do not make a success of governing ourselves in a peaceful and prosperous manner it will be our own fault. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, for several months the spokesmen for the New Deal, both in and out of Congress, have been on the defensive. The confident assertion that "we are on our way" which characterized the first year or two of the present administration is no longer heard. In its place we hear almost every day an attempted explanation of some New Deal misconduct which has been pointed out to and grasped by a people who are tiring rapidly of broken promises and a search for Utopias which do not exist.

Attacks on the New Deal by Democrats of unquestioned standing, experience, and judgment have done much to put this administration on the defensive. Criticism from Republicans is expected and more easily discounted. Criticism from outstanding Democrats is nothing short of devastating and utterly unanswerable.

The familiar defensive cry, "How would you like to go back to 1932?" will not turn the trick. It is not a question of going back, because our people know that natural forces for recovery are strong, and that, given 3 or 4 years, some recovery would inevitably occur, particularly after the Supreme Court reestablished constitutional rights and guarantees.

The social experimentations and reckless extravagance of the New Deal are on the way out because the common sense of the people is reasserting itself. They are not asking, "Has there been any recovery?" They are asking, "Are we as far along on the road to recovery as we should be or would have been but for the un-American fallacies of the New Deal?" To the latter question an increasing majority is answering "No", and therein lies the reason for the very obvious nervousness of New Dealers when they contemplate next November. They read the figures on increasing unemployment, reflect on the billions uselessly spent to prime the pump, plead guilty to an unprecedented growth of spoils and bureaucracy, and tremble in their boots at the increasing wrath of an overburdened and disillusioned people.

In a tremendous effort to regain lost confidence on at least one front, the New Dealers, headed by the President himself, are now loudly proclaiming their belief in and support of the merit system in Federal appointments. What a travesty! Hypocrisy is a hard word, but what else fits when we consider that this administration has done more to tear up the merit system and apply the spoils system than any administration the country has ever seen? Is it possible that the defendant, after being tried and found guilty at the bar of public opinion, charged with the greatest raid of Federal jobs in our country's history, has finally decided to "go straight"?

Human experience has proved that the motives back of hasty reformations must be examined if we are to know whether the reformation is sincere, or just another promise. In the close personal intimacy so often displayed among those high in our Government, do you suppose that someone might have said, "Jim, that idea of putting the faithful in every possible job seemed like a good idea at the time. Why, it looked like the best way in the world to perpetuate ourselves in office. But a terrific kick-back is developing. The people do not seem to like it. They are afraid that it is wasteful and inefficient. And to make matters worse, one of the great nonpartisan women's organizations is starting a national campaign for the merit system which is arousing a lot of comment. Can it be possible that the declaration of our great predecessor, Jackson, about the spoils going to the victors has been overplayed?"

And do you suppose that Jim might have answered, "Now, now, do not be disturbed. There is plenty of time left. We now have, or will have in the next few months, good New Dealers in all of the post offices. And we have given hundreds of thousands of jobs to the faithful in the many

branches of government. We will now come out strong for the merit system, telling everybody that we are for it. We can just blanket all of these appointees into civil service, giving them jobs for life. That, of course, will prove that we are for the merit system and will take the fire out of that attack."

Now, that conversation might have taken place. All of this might be good strategy and might work, except that our people are waking up. My guess is that they will conclude that the promisor is at it again, and will not be taken in any last-minute reformation which is so obviously a sham.

While this seems to be an effort on the part of the New Deal spoilsmen to manifest good faith, not only to the people of the country but to the civil-service employees as well, the reason back of this effort is as clear as crystal. There is a catch in it. The new-found devotion of Mr. Roosevelt and Mr. Farley to the merit system is the basest sort of strategy. It is intended solely to give permanency to the quarter of a million political henchmen this administration has put into office. That and that alone tells the real story back of the sudden disposition of the New Deal to try to convince the public that at long last it intends to keep one of the promises made when it was seeking office. [Applause.]

The recently expressed desire on the part of the administration to put the postmasters under civil service is perhaps the biggest part of the fraud the administration is attempting to perpetrate upon the public. As a matter of fact, the seeming conversion of the President to this idea was effected soon after he became President. He then directed his Postmaster General and chief spoilsman, Mr. Farley, to draw up a bill for Congress for that purpose. But Mr. Farley was more than one of Mr. Roosevelt's Cabinet officers. He also was, and still is, chairman of the Democratic National Committee. Therefore Mr. Farley was not particularly anxious to go along with his President—at that time. The reason is obvious. When Mr. Roosevelt first suggested this rather drastic step for the New Deal there still were a number of Republican postmasters. Mr. Farley soon remedied this. He put in their place New Dealers who would go along with the Roosevelt administration. While these substitutions were being made, and in face of the fact that one of his official family defied, or at least publicly ignored, his instructions, the President, so far as is known to the public, never once took Mr. Farley to task for his declination to move on the President's instructions.

Time passed. Republican postmasters disappeared. New Dealers took their place. And now that the first, second, and third postmasterships are occupied mostly by gentlemen of Mr. Farley's picking, Mr. Roosevelt once more makes a gesture to the American people. That gesture is designed to convince them that he is against the spoils system, of which since March 4, 1933, he has been the chief advocate. It is notable that this new advocacy did not come until Mr. Farley had filled the offices with deserving New Dealers. It is equally notable that in putting the postmasterships under civil service at this time Mr. Roosevelt and Mr. Farley would thereby perpetuate in office the henchmen of their own picking not for a day, nor for an administration's term of office, but for life.

In an effort to regain lost prestige, the President, in a message to the National League of Women Voters, which was also read over the radio, said that he was not only glad to assure the organization of his support in its effort to eliminate the spoils system in government but that "there can be no question of greater moment or broader effect than the maintenance, strengthening, and extension of the merit system."

A comparison of this statement with the record of this administration's violation of the merit system challenges the sincerity of the statement. In the words of Candidate Roosevelt himself:

Remember well that attitude and method—the way we do things, not the way we say things—is the measure of our sincerity.

The civil-service laws went on the statute books in 1883. Their greatest violators since have been New Dealers who rode into office under the masquerade of being Democrats. In building up the greatest bureaucracy of all time and thus

harassing the already overburdened taxpayers with hundreds of millions more to pay in taxes, Mr. Roosevelt and his spoils-men at the start of the current year had 815,789 Federal employees listed. This vast army of workers did not include employees in the legislative or judicial branches. An untold number of temporary Government employees were not included, nor were persons in the Army or the Navy, the District of Columbia government, the near half a million enrolled in the C. C. C., and other numbers of those who are employed by the Federal Government.

Out of this number there were but 611,397 subject to civil-service rules. There were 204,392 not subject to the Civil Service Act and its rules. And the figures of the Civil Service Commission show that from June 30, 1933, to December 31, 1935, the New Deal spoils-men added 252,312 employees. These did not all go to the emergency organizations set up by Mr. Roosevelt. The regular organizations of Government were infiltrated by these New Deal henchmen. Up to last month 44,000 employees had been added to the regular establishments of Government, and the Federal pay roll had been increased 46 percent. In addition, since he has been President, Mr. Roosevelt has increased the Federal pay roll \$542,000,000, and the taxpayers are now paying a billion and a half dollars a year to keep this New Deal, top-heavy Government going.

Apparently, in another effort to delude the public, there recently has been a tremendous shifting of employees from one bureau to another. Evidently there has been considerable manipulation in this process of shifting employees in order to make it appear that there has been a big decrease in numbers employed. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, our policy to aid the farmer is somewhat confusing, and the more one studies it the firmer becomes the conviction that we are defeating our own ends. Mr. Wallace takes millions of acres out of production and curtails as much as possible the yields from our fields, while Mr. Ickes, on the other hand, encourages large projects with Public Works money to put more land into cultivation and increase production, and Mr. Hull complicates and confuses the issue by reducing the tariffs so that foreign commodities may be shipped in and sold at a lower rate.

To those of us who are accustomed to thinking in simple terms these policies appear contradictory, nor can they be reconciled. The late lamented Agricultural Adjustment Act was based on two broad policies: (a) Destruction of so-called excess; (b) taking of acreage out of production.

The theory of this policy of destruction of so-called surplus crops was this: That inasmuch as millions of our people were hungry, the way to relieve that hunger was to destroy food; millions of our people being poorly and thinly clad, the way to remedy the defect was to destroy crops from which clothing was made. As a result large quantities of food were taken off the market.

The theory of destruction of wealth was supplemented by the further policy of taking agricultural acreage out of production. It has been said that under this policy 50,000,000 acres of land were taken out of production in 1935. As a result various foreign countries promptly stepped in and raised crops to take the place of those barren acres which we have withdrawn from production. When the Supreme Court of the United States declared the Agricultural Adjustment Act unconstitutional, we rushed to the rescue with another so-called Farm Aid Act, which, it has been said, will take twenty-five to thirty million acres out of production for the year 1936. We hope to supplement this withdrawal of acreage by providing Government funds with which to purchase surplus stocks and thereby stabilize the price of our respective commodities; and in order that this fund might not lay idle, and so as to insure its complete success, we provided through so-called reciprocal-trade agreements that foreign countries might ship in their agricultural products at a lower tariff rate.

The theory of this economic philosophy was that we could purchase our own excess of cream, butter, cheese, and so forth, and thereby make it possible for chain stores and

food speculators to buy cheaper goods from abroad and make larger profits.

We also decided that certain lands were not suitable for cultivation. These were known as submarginal lands, and in order to further aid our policy we decided to purchase millions of acres of submarginal lands and move the farmers from those lands to more fertile fields. We even transplanted some of these families to Alaska.

Well, that theory seemed to have been a good plan, and when we had it operating and well in hand we decided that it would be a good idea to hunt out some sterile lands and make them bloom like the rose. So we looked around for some places where there were not any people, at least not many, because we did not want to be too close to a good market, and start a reclamation project, and shortly there will be a bill before us making appropriations for the Interior Department for the year 1937; and when you review the report of the committee you will be surprised to find the amount of the bill as passed by the House was \$81,221,330, and there has been added by the Senate \$62,717,427, making the total amount of the bill as reported to the Senate \$143,938,757, or approximately an appropriation bill for 1937 of \$144,000,000. Even to a Member of Congress this looks like a lot of money, but no doubt it will serve a useful purpose. It will supply drinking water and a place to bathe to the horned toad and the desert rat, and possibly at the next session we can vote an appropriation for a scientific investigation to look into the habits and customs of these two inhabitants of the desert and to see how they care for their young.

No doubt this will permit the increase of a million or two acres of irrigated lands for productive excess, and after we have spent the money to reclaim this acreage we can then include these new-found acres under our present farm-aid plan and invoke the theory of soil erosion and give benefit payments to those who live on these acres if they will plant them to grasses and legumes and let other things alone. It forms an interesting cycle that may be quite a puzzle to an inquiring mind, but nevertheless is very interesting.

I have been interested to read an Associated dispatch out of Chicago recently which quoted Secretary Wallace as saying that the removal of approximately 30,000,000 acres would still leave ample acreage in the United States at average yields to provide the Nation a supply of food and fiber equal to domestic consumption for the 1920-29 period. These 30,000,000 acres so retired are to be devoted to legumes and similar crops. The dispatch added that problems still to be worked out included, "How to apply the plan in dairy States, like Wisconsin, where a high percentage of the land already is in grass and legumes."

It was stated here recently on the floor that the reciprocal trade agreement with Canada did not affect our State, but that we had a considerable increase in the value of farm commodities, particularly butter. So I wrote to my friend, Prof. J. L. Sammis, of the department of dairy industry of the College of Agriculture, University of Wisconsin, referring the matter to him. He said:

There can be no question but that the price of cheese went down 2 cents, causing \$6,500,000 loss to the cheese industry, particularly to Wisconsin farmers, as a result of the Canadian treaty. It is claimed by proponents of the treaty that there was, as a result of the treaty, a rise in the price of butter which offset the loss on cheese, and gave a net profit to the United States. The real causes of the rise in butter price were low stocks of butter in storage; second, low production of butter, since more milk has been going into cheese lately; and third, the complete blocking of transportation by the present winter snows, which prevented the normal shipment of butter to market from all dairy States, which further reduced market stocks, and could not fail to raise butter prices.

I also wish to call your attention to the statement of Agricultural Commissioner J. D. Beck, of Wisconsin, who for many years was a Member of this body. He says in regard to the Canadian cheese tariff:

The price of cheese dropped on the 1st of January this year exactly that the amount of the duty on that article was reduced.

Cheese dealers tell us that the recent price drop was because cheese was not moving. If that was true, then the farmers want to know why three of the leading buyers of cheese in this country rushed off to Canada nearly a month before this treaty went into

effect and bought the available supply of cheese from that country to be shipped in immediately after this treaty became effective.

These are some of the things which economists should explain to the farmers of the State while they are telling those farmers that the importation of cheese will not depress the price. The farmers know the price was depressed and they are asking why.

[Applause.]

It has been rumored on Capitol Hill that there will be some slight sop thrown to the dairy farmer by the way of small benefit payments for 5 acres planted to grass or legumes.

Of course, this does not meet the larger problem of the importation of cheaper dairy products from abroad or the problem of millions of additional acreage of pasturage taken out of cotton, wheat, corn, and so forth, which will be devoted to feeding dairy cows, nor to the problem of the competition of oleomargarine and other cheap butter substitutes. The dairy farmer surely is intelligent enough not to be fooled by any such pitiful pittance. What he wants, first, last, and all the time, is his home market to be preserved for his home product and he has a right to be protected from the cheaper competition brought in from abroad. Only a few years ago the United States Tariff Commission found that New Zealand dairymen and creameries could turn out butter at 18 cents a pound under the average cost in the United States.

Mr. Charles W. Holman, secretary of the National Co-operative Milk Producers Federation, has just recently issued a pamphlet entitled "Present Day Problems of Dairy Farmers." In that pamphlet, Mr. Holman points out, on page 13, the following facts:

The proponents of the Canadian agreement argued that the imports of cream represent less than one-tenth of 1 percent of our total annual production and only eight-tenths of 1 percent of the production of the North Atlantic States. They do not point out, however, that this cream will come largely into the Boston and New York markets where figures show that for 6 months out of every year it is profitable to bring in Canadian cream. If all of this cream is brought into the Boston and New York markets it will represent considerably above the percentages used by the defenders of the Canadian agreement and will have a tremendous downward effect on the cream prices in these two markets, with a resultant effect on middle western as well as eastern cream producers.

Whether or not the 1,500,000 gallons of cream pour over the border each year, the result to dairy farmers will be the same. Either the domestic-price structure will be broken down to a figure that keeps it out, or the butterfat in the cream will come in to displace an equivalent amount of western and southern cream now being sold in eastern markets.

In this connection it is interesting to study the effect of these imports upon cream producers of the Middle Western and Southern States. It is reasonable to assume that the cream produced in the eastern area will continue to be used in those markets even though the Canadian agreement tears down the price structure. Middle western and southern dairy farmers, however, are likely to feel not only the result of a lowered cream price but are also likely to lose a substantial portion of their cream market in New York, Philadelphia, and Boston. Shipments of cream from Middle Western and Southern States to New York, Boston, and Philadelphia in 1934 totaled 336,079 cans. Under the agreement with Canada 150,000 cans will be permitted to come into the country annually, thus displacing nearly 50 percent of the cream which the New York, Philadelphia, and Boston markets purchased last year from Middle Western and Southern States. Dairy farmers in the Middle Western and Southern States losing 50 percent of their market in New York, Boston, and Philadelphia will gain small comfort out of the statistical arguments that the imports represent less than one-tenth of 1 percent of the total annual production of the United States.

In addition to the foregoing I would like to add another paragraph from Mr. Holman's interesting pamphlet. On page 14 we find the following:

I have been advised by the president of one of our large livestock producer organizations that in a conference with livestock interests in Canada during the period when negotiations were going on he was told by the Canadian producers that if a way could be found to get rid of about 200,000 head of Canadian cattle the problem of the Canadian livestock producer would be solved. Apparently it was solved to the entire satisfaction of the Canadian livestock producer by our agreement to permit approximately 226,000 head of Canadian cattle to be imported into the United States annually.

Mr. George N. Peek, former Administrator of the A. A. A. and until a few months ago president of the Export-Import Banks and adviser to the President upon foreign trade, made the following analysis:

Distribution of concessions by commodity groups	Value of 1929 trade in articles upon which concessions are bound	
	Concessions by United States, \$307,894,400	Concessions by Canada, \$244,653,000
	Percent	Percent
Agricultural and forest products.....	83.8	22.6
Fishery products.....	2.9	.2
Mineral products.....	7.1	3.4
Manufactured and miscellaneous products.....	6.2	73.8

An examination of this analysis will disclose that the agricultural and forest products were sacrificed for the benefit of the manufactured and miscellaneous products. This is the outstanding fact against which we of the agricultural districts protest with all our might. It is idle and futile to prattle to us about the weaknesses of the Smoot-Hawley Tariff Act and the increases of prices since 1932 as neither statement squarely faces the issue which we raise.

Our main point of contention is this: The dairy interests of the United States should not be sacrificed for the sake of any other industry in the United States. We claim a right to furnish all the dairy products that are needed by our people and we have the ability and the desire to do so. To deprive us of that opportunity which rightfully belongs to us is an outrageous injustice against the dairy interests of our country. Our opponents on the Democratic side of the House have argued these matters by the hour but not one of them has made a defense or set up a justification for the sacrificing of the dairy interests for the benefit of somebody else. That is the outrage against which we raise our voice in protest. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. SAUTHOFF] has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. BLACKNEY].

Mr. BLACKNEY. Mr. Chairman, during the recent consideration of H. R. 11581, the District of Columbia appropriation bill for 1937, I was particularly interested in the educational features developed in the hearings of the subcommittee before whom this appropriation bill was considered, and was also interested in the debate that occurred upon the floor of the House with reference to education.

Perhaps this is because that for a period of 10 years I was a teacher in the public schools of Michigan; perhaps it is because as the father of two boys now in the public schools of my State I still retain my interest in education; perhaps it is because that for 14 years it was my privilege to devote from 1 to 3 nights a week to instructing more than 3,000 factory men and women in the General Motors Institute of Technology in Flint.

Education and the organization of our Government as exemplified by the adoption of our Constitution are identical in point of time.

In 1787 the ordinance of that year in creating the Northwest Territory specifically said:

Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.

So that with the inception of this Government one of the heritages that we gave our boys and girls is that of an education. Therefore the hearings on this bill were of particular interest to me in its educational fields.

For some 15 years it was my privilege to serve upon the school board in the city of Flint and to become interested in the many educational problems that confronted our school system. We were fortunate in our staff of teachers and as a result of the splendid personnel that has developed there, our schools have been successful in the highest degree. There has been no taint of communism or radicalism connected with those schools. Our teachers were imbued with the ideas of Americanism and felt that their full problem was to instruct the pupils of our schools in the problems of Americanism. No question of facism, of socialism, of communism arose; just the plain everyday Americanism.

The Michigan educational system has had a similar experience. Our teachers in the public schools of Michigan have been real Americans and have been imbued with the principles of America. Michigan has had a wonderful career from the educational standpoint. Very few States in the Union can rival her in her pioneering in education. In fact, several of the great educational authorities of this country have placed Michigan in the forefront in the development of not only the common schools but the higher schools and universities. Michigan surely is one of the leaders in the educational program of America.

In 1817 the legislature sketched in detail a full program of education from primary school to university.

In 1827 she laid the foundations for the common schools of the State.

In 1837 the great University of Michigan was created with four departments—literature, science and arts, law, and medicine. This was pioneer work in many respects for all the world.

In 1848 Michigan added an institution for the instruction of the deaf, dumb, and blind, thus one of the first States in the Union to provide for the education of handicapped children.

In 1855 it organized an agricultural and industrial college, one of the first of such colleges organized in the United States.

In 1870 the doors of our university were opened to women, thereby completing the democracy of the scheme.

In the consideration of H. R. 11581 the testimony before the subcommittee disclosed the fact that there were 99,000 school children in the city of Washington.

In our State of Michigan we have 704,435 boys and girls in the elementary schools, up to and including the eighth grade. In the high schools we have a total of 223,705. In the colleges and universities, junior colleges, and teachers colleges we have a total of 38,981, making a grand total of 967,221 boys and girls, men and women enrolled in the school system of Michigan.

The boys and girls enrolled in the elementary schools of the United States, up to and including the eighth grade, according to the latest statistics available from the Office of Education, numbered 20,729,511. In the high schools a total of 5,656,412. In the colleges and normal schools, 1,154,117, making a grand total of boys and girls, men and women enrolled in the schools of the United States of 27,540,040.

How important it is that this splendid army of young people should be wisely instructed in those fundamentals that tend to produce thoroughgoing men and women.

During the last few years there has been apparent in this country certain radical tendencies, evidenced by socialistic and communistic talk, which have begun to make themselves apparent in a limited sense in some of the schools of our country.

In the report of the hearings on the District of Columbia appropriation bill I was surprised to find that certain textbooks and magazines contained statements communistic in their nature, or at least un-American in their nature. In one of the books available for use in the District of Columbia public schools the author, who has written several reports on education, said: "That the teachers should deliberately reach for power and then make the most of their conquest is my firm conviction." Further quoting, the author said: "Finally to be prepared as a last resort, in either the defense or the realization of this purpose, to follow the method of revolution." These quotations are taken from the writings of George S. Counts, who boldly advocates "the method of revolution" to establish a new pretense of democracy without "popular election of officials" or "the practice of universal suffrage."

I cannot conceive how the philosophy contained in these statements is applicable to our American public-school system. Up until a very recent time in American history our public schools were comparatively free from anything of a radical nature. During the last 2 or 3 years there has developed a certain type of educator who thinks that it is the proper thing to instill in the minds of American boys and

girls doubts as to the efficiency of American institutions and to supplant in their minds, if possible, the thought that the communistic practices of certain European countries are worth emulation. I have no use for any such doctrine. I have the utmost faith and confidence in the rank and file of the American teachers. I think that the great majority of our teachers are, first, American citizens and, second, desirous of instilling American principles in the minds of our pupils. I am not in sympathy with the movement toward communistic and socialistic propaganda centering around our schools.

There has been criticism of late upon the floor of the House because certain States have passed laws requiring the constitutional oath to be taken by the teachers of the public schools. I see no reason for the criticism of these laws. Our public-school teachers are paid from public money; they are to that extent public officers. It is the duty of a public officer to take an oath to support the Constitution of the United States and the State under which he is serving. All of the Members of this House took the constitutional oath to support the Constitution of the United States, and I feel sure that each Member took this oath gladly and willingly because we are American citizens and because we recognize that the Constitution is the fundamental law of the land.

Why, then, should a teacher have any objection to taking this constitutional oath? He, too, is a public official. He has the grave responsibility of instructing our boys and girls in their ideals of democracy and of Americanism. If our teachers are Americans, if they believe in the American system of government, if they are devoted to our Constitution and our laws, then they should gladly take the oath of office as willingly and as freely as we the Members of this House have taken it? I am always suspicious of any public official or public servant who hesitates to take the oath of office. I am wondering whether or not he has any secret evasions of mind that he does not want to divulge.

The State of Michigan has such a law, and I am glad to state that the great overwhelming majority of our teachers in the State have taken the constitutional oath freely and willingly. They have not felt that it has been subjecting them to any suspicions of disloyalty but is imposed upon them because they are public servants.

We all recognize the fact that in these days of depression the fathers and mothers of our public-school children are making supreme sacrifices to keep those boys and girls in school. Surely no hard-working father or mother would knowingly tolerate for a moment the teaching of communism in the public schools. They have a right to expect that every teacher drawing public pay is imbued with the American spirit and interested in the inculcation of those great principles which have produced America.

In conclusion I want to reaffirm my faith in the Constitution of the United States and to express my disapproval of insidious attacks upon it. I want to express my disapproval of fostering fascism and communism in this country. I want to keep the American schools free and clear of any foreign isms for the proper education of American boys and girls.

I am heartily in sympathy with the American's Creed, so ably formulated by William Tyler Page:

I believe in the United States of America as a Government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a Republic; a sovereign Nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.

I therefore believe it is my duty to my country to love it; to support its Constitution; to obey its laws; to respect its flag; and to defend it against all enemies.

[Applause.]

The CHAIRMAN. The time of the gentleman from Michigan [Mr. BLACKNEY] has expired.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, the legislative appropriation bill which we are bringing before you for your consideration today has been explained thoroughly and in a most

illuminating way by the chairman of our subcommittee, Hon. J. BUELL SNYDER, of Pennsylvania, and later Mr. POWERS, the minority member of the subcommittee, will treat the subject in his usual brilliant way, and I think there is very little, indeed, for me to say.

I feel that I should arise, however, if for no other purpose than to express a few words of merited praise for our subcommittee chairman, who is discharging this year for the first time the heavy duties devolving upon one who has charge of a supply measure. I have now accumulated some years' experience as a member of the Appropriations Committee and chairman of a subcommittee, and I want to say for Mr. SNYDER that I have never known a subcommittee chairman who had a higher regard for his responsibilities, whose aims and purposes were more conscientious, or whose performance was more faithful than his has been.

He is cast in such a mold that he could never be content with a mere perfunctory attention to the task at hand. His motto is thoroughness and to attain thoroughness he has spared no physical or mental exertion.

He has personally visited and inspected the various activities and services appropriated for in this bill, sometimes at hours when visits appeared to be unseemly, but when a personal call was best calculated to get a correct picture of the operations and needs of the service. With painstaking care he has checked up on everything that comes within the scope of this bill to ascertain whether the taxpayers' money is being well spent, and if not, why not; also to get a line on the actual need, if any, for additional appropriations and increases of appropriations requested in the estimates.

I think Mr. SNYDER's constituents and the people of the country ought to know that he has done a fine job on this bill. Eliminating, of course, any reference to myself, I may add that he has had perfect cooperation from a capable subcommittee including Mr. ZIONCHECK, of Washington, Mr. DICKWEILER, of California, and Mr. MORAN, of Maine, on the Democratic side, and Mr. POWERS, of New Jersey, who, with charming good humor, upholds the dignity of the minority party at the opposite end of the table. Strictly and truthfully speaking, there has been no politics in the deliberations of our subcommittee. We have sought to weigh factors in their true proportions and to reason together earnestly in order that we might reach conclusions that would be in the best interest of the entire country.

PHILOSOPHY OF ECONOMY

Briefly, this bill is framed in accordance with the philosophy which I think should govern the drafting of all of our appropriation bills, except when uncontrollable factors will not permit, and that is the philosophy of retrenchment in the cost of government, which is so important and vital at this time.

The bill before you does not "up" either the appropriations for the current fiscal year or the Budget estimates for the fiscal year 1937. On the contrary the total carried by this bill, \$23,366,168, is \$640,092.73 below the appropriations for the current fiscal year and \$877,203 below the Budget estimates for the next fiscal year. That is as it should be.

It will be encouraging to the taxpayers and to the business interests of the country, which are looking toward an ultimately balanced budget, to know that this bill carries no increase over either current appropriations or the budget and that on the contrary, the trend of appropriations carried by it is downward. It is true that the decreases projected into the totals of this bill are small, compared with the vast governmental outlays of recent times, but nevertheless I believe it will be welcome news to the country to learn that these totals are really decreases rather than increases.

On a bill in which so many items are statutory and therefore beyond the control of the appropriations subcommittee and so many others are fixed and rigid because they are maintenance and operation items, there is not a great deal of leeway to wield the pruning knife. We have made the most of the leeway we had.

ADVANCES WITHIN GRADES DISAPPROVED

In keeping with our determination to hold this bill down to minimum proportions we disapproved all estimates for

advances of salary within the grades. Altogether, in the various services and activities covered by the bill, there are 232 positions for which advances of salary within the grades were sought in the budget estimates and these advances would have imposed on the Treasury a total additional annual charge of \$18,020.

In view of the general situation throughout the country, the large public debt and the obvious necessity of retrenchment if we are ever to reach the goal of a balanced Budget, we did not feel that these advances in salaries could be justified at this time.

ELEVATOR ITEM DISALLOWED

At the expense, perhaps, of reducing our popularity in certain quarters not far removed from here we disallowed a large estimate of \$64,000 to construct two new elevators at the Senate wing, because we could not find any sound reason either in economy or necessity for such an improvement. On the contrary it seemed to us that this proposed project involves such a disruption of the structural features of the Capitol Building and so many major difficulties of construction, and seemingly has so little argument to justify it from the standpoint of actual necessity, that it should not be considered for a moment.

I think I may go farther and say that we were surprised that such a proposal had been seriously made. An idea of the extent to which the Capitol Building structure would have to be cut into and made over, in order to install these two proposed new elevators may be obtained from the testimony of David Lynn, Architect of the Capitol, who said in reply to a question by myself:

They would be placed alongside of each of the two existing elevators at the east entrance, Senate side. The work would consist of the construction of two new shafts extending from the third floor to the subbasement through heavy bluestone masonry and involving the cutting of walls and floors, as well as underpinning walls and footings. There is some ornamental decoration of ceilings and walls that may have to be disturbed. It will be necessary to support these walls and floors by heavy shoring during operations. It is estimated that each of the shaft openings will cost about \$12,000 and each elevator equipment about \$20,000, or a total of \$64,000.

There are 435 Members of the House and 96 Members of the Senate. The House gallery has a great deal larger capacity than the Senate gallery, yet despite these disparities there are now as many elevators in the Senate wing of the Capitol as in the House wing or, to be exact, four elevators in each wing.

Senators now have two private elevators, while Members of the House, though exceeding Members of the Senate more than four times in number, have only one private elevator. Your subcommittee could not see any justification for constructing two more Senate elevators, especially in view of the costly and difficult structural changes that would necessarily be involved. It seems that this is truly a type of expenditure which, if justified at all, could well await the return of better times and a more redundant Treasury.

CAUTION EXERCISED IN REGARD TO FEDERAL REGISTER

Another rather notable reduction in estimates by our subcommittee is in connection with the publication known as the Federal Register. This publication, which is authorized by act of Congress, is said to have had its origin in a side comment made by a distinguished Justice of the United States Supreme Court in connection with the famous "hot oil" case. The justice is credited with having made the observation that there are many orders issued by New Deal agencies, carrying penalties, which are unknown to the persons and business organizations who may violate them and the reason they are unknown is that they never have been published.

On this germ of an idea the Congress has provided by law for the broadest kind of publication of Executive orders, departmental regulations, and so forth, in a publication to be called the Federal Register.

There was presented to us the very practical problem of reaching some sort of a conclusion as to how much money shall be spent for this purpose, and this involved interpretations of the law which are made especially difficult by reason

of the fact that N. R. A. and A. A. A. have gone out of the picture through adverse Supreme Court decisions.

An idea of the tremendous magnitude of this publication enterprise may be obtained by the testimony of A. E. Giegengack, the Public Printer, in regard to the number of accumulated orders, proclamations, and regulations which would have to be printed in the Federal Register if the Act of Congress is to be obeyed literally. On this point Mr. Giegengack said:

It is impossible to give any idea as to what it will eventually cost to print the present accumulation of existing orders, proclamations, and regulations that now have the force and effect of law. It has been stated that there are literally truck loads of them and that the Archivist would need to increase his building 100 percent in order to hold them all.

You can see into what deep water we would be getting and what an enormous charge would be imposed upon the United States Treasury if this project is carried out to the full extent and implications of the act. Up to date, none of this material has been published.

The Budget sent us an estimate of \$300,000, of which, as nearly as we could ascertain, it was proposed that \$225,000 would be spent in printing the Federal Register daily during the next fiscal year and the remaining \$75,000 would be used as a start toward publishing the existing accumulation.

We decided not to attempt to publish any of the vast accumulation until the matter can be given further consideration, and we allowed \$150,000 to publish the Federal Register, covering orders issued daily, from July 1 next, the beginning of the next fiscal year, until February 28, 1937. It is believed that before the latter date Congress will have time to give further attention to the advisability and wisdom of putting a drain on the Federal Treasury the end of which no man can foresee.

FACTORS OF SAFETY INSURED

While our constant aim has been to economize, we have recognized that governmental activities cannot remain dead and dormant, but that certain appropriations are required to harmonize with progress and that equipment will wear out, requiring replacements. We have given the Doorkeeper of the House six additional pages, the first increase in the force of pages in this Chamber since the Fifty-sixth Congress, when there were 357 Members of the House. Now there are 435.

In recent years pages are used more than ever for messenger service which, although a great convenience to members of the House, has placed a heavy burden on the time and energies of the pages—a burden that has been increased by the construction of the New House Office Building. We believe this increase in the force of pages is amply justified. Where hazard to human life is involved we have made the appropriations necessary to insure the factors of safety, as, for instance, in an item of \$108,750, which we have allowed for new electrical substation switching equipment in the Capitol, Senate, and old House Office buildings, the testimony being that the existing equipment is obsolete, inadequate, and hazardous. In short, we have sought, in framing this bill, to provide every dollar to enable the various activities to function satisfactorily and to provide proper maintenance without appropriating a single dollar unnecessarily. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. Buck, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill H. R. 11691, the legislative appropriation bill, 1937, had come to no resolution thereon.

THE FEDERAL BUDGET

Mr. BACON. Mr. Speaker, the other day I received permission to extend my remarks in the RECORD. I was informed by the Government Printing Office that the extension exceeded the allowable amount by a quarter of a page, and that the cost involved is \$102. I, therefore, renew my request

to extend my remarks in the RECORD by inserting the matter referred to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

(The new Federal Budget and the Roosevelt administration's fiscal policies are discussed here in a critical analysis by the former Director of the Budget.)

By Lewis W. Douglas, former Director of the Budget

The Budget for 1937 is confused and open on both ends.

Fully to understand any event or act, it is necessary that there be an understanding of the environment in which that event or act occurs. So it is with the annual Federal Budget just submitted to Congress by the Executive. Consequently, before attempting an analysis of the Budget, it is appropriate to recall the historical setting in which it occurs. No attempt will be made to evaluate either the setting or the consequences of the performance. This is only a recitation of facts as nearly as they can be determined.

In July 1932 the Democratic Party in convention adopted a platform—"a covenant with the people to be faithfully kept by the party when entrusted with power"—which contained the following explicit commitment:

"We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues."

"ONE HUNDRED PERCENT" FOR ECONOMY

The Presidential candidate of the Democratic Party, in his speech to the convention, accepted the pledges of the party platform in the following unqualified language:

"I have many things on which I want to make my position clear at the earliest possible moment in this campaign. That admirable document, the platform which you have adopted, is clear. I accept it 100 percent."

On October 19, 1932, in Pittsburgh, the Presidential candidate of the Democratic Party said:

"Would it not be infinitely better to clear this whole subject of obscurity—to present the facts squarely to the Congress and the people of the United States and secure the one sound foundation of permanent economic recovery—a complete and honest balance of the Federal Budget?"

"In all earnestness I leave the answer to your common sense and judgment."

"Now, I am going to disclose to you a definite personal conclusion which I adopted the day after I was nominated in Chicago. Here it is: Before any man enters my Cabinet he must give me a twofold pledge of:

"1. Absolute loyalty to the Democratic platform and especially to its economy plank.

"2. Complete cooperation with me, looking to economy and reorganization in his department."

"I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion it is the most direct and effective contribution that Government can make to business."

To be sure, in the same speech he said:

"At the same time, if starvation and dire need on the part of any of our citizens make necessary the appropriation of additional funds which would keep the Budget out of balance, I shall not hesitate to tell the American people the full truth and recommend to them the expenditure of the additional amount."

But he also said in the concluding paragraph of the same speech, having to do with a balanced Budget and reduction of Federal expenditures:

"My friends, these have been unhealthy years for prophets, and I hasten to disclaim that role. But one thing I know. A powerful cause contributing to economic disaster has been this inexcusable fiscal administration and the obscurity and uncertainty that has attended and grown out of it.

"There it remains for all to see—a veritable cancer in the body politic and economic.

"Is it prophecy to assure you that if we remove this destructive growth we shall move on to better things?

"To my mind this is so plain and persuasive as scarcely to be open to argument. As I said in the beginning, this is the one field in which business is wholly in the grip of Government.

"By the same token, it is the one field where Government can make the greatest possible present contribution to recovery. To this contribution I here pledge the utmost of my faith and my ability.

"I am as certain as mortal man can be certain of anything in the future that from the moment that we set our hands openly and frankly and courageously to this problem, we shall have reached the end of our long, hard downward road and shall have started on the upward trail."

In 1932, when the Democratic platform was adopted, when that platform was accepted by the Democratic nominee, and when that nominee made his commitments with respect to reduction of expenditures and the balancing of the Budget, there were some 12,000,000 unemployed and there was widespread human distress and suffering.

"IMMEDIATE ECONOMY"—AND LATER

On March 10, 1933, after the Democratic nominee had become the occupant of the White House, and when unemployment was at its peak, the Economy Act, accompanied by a message, was sent to the Congress. In that official document he stated:

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger. . . . We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy. . . ."

"I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government."

But some 15 months later the expenditures had increased over \$2,000,000,000, as compared with 1932, and the revenue fell short of covering expenditures by the sum of \$3,989,496,035.

On January 3, 1934, the occupant of the White House submitted to the Congress his annual Budget message and Budget, in which he stated:

"My estimates for the coming fiscal year (1935) show an excess of expenditures over receipts of \$2,000,000,000. We should plan to have a definitely balanced Budget for the third year of recovery (1936) and from that time on seek a continuing reduction of the national debt."

But the actual deficit for 1935 was \$3,575,357,963, while the revised Budget for 1936, instead of being in balance, shows estimated expenditures to be in excess of revenues by \$3,234,507,392.

On January 3, 1935, in the Executive's annual Budget message, no mention was made of an equilibrium between expenditures and receipts.

On January 6, 1936, in the annual Budget message and accompanying Budget schedules for 1937, there is given only the hope that at some time in the future deficits will be eliminated.

This is the whole setting necessary for an understanding of the Budget for 1937. No; this is not quite the whole setting.

When in the late spring of 1933 a great spending program was adopted, the expenditures were divided into two categories: First, those for the operation of the regular, permanent departments and agencies of government; second, those for relief and for the emergency. To be sure, the books showed but one deficit, but spokesmen have made much of the distinction, as though a government could conceal its financial operations by legerdemain better than could the Insull utilities.

This is the environment and the inheritance of the Budget for 1937.

SOME BUDGET FIGURES

The following analysis is divided into the following headings: (1) Expenditures, so-called regular Budget; (2) expenditures, so-called recovery and relief Budget; (3) expenditures, total Budget; (4) receipts; (5) deficit; (6) recoverables; (7) recapitulation.

(1) Expenditures, so-called regular Budget.

Among the regular expenditures, the Budget carried estimates of benefit payments to farmers under the Agricultural Adjustment Administration Act. At the very time that the Budget was being read to the Congress the Supreme Court was declaring the Agricultural Adjustment Administration Act to be unconstitutional.

As a consequence, revenues to be derived from processing taxes are no longer available, while newspaper accounts indicate that expenditures on account of contracts already made and refunds (if any) of taxes illegally collected are to continue.

Nor is this quite all. The Civilian Conservation Corps, heretofore during the regime of the New Dealers carried in the so-called emergency and relief Budget, has been transferred to the regular Budget. Moreover, Public Works expenditures, in part, though perhaps not in sufficient amount, have been shifted into the regular departmental Budget from the emergency Budget. And, finally, expenditures on account of the Social Security Act, the Bituminous (Guffey) Coal Act, the Railroad Retirement Pension Act have become permanent fixtures of the regular departmental expenditures.

I

The expenditures of the regular departments as estimated in the Budget are as follows:

Legislative, judicial, and executive.....	\$41,835,627
Civil departments and agencies.....	1,006,220,145
National defense.....	937,791,966
Veterans' pensions and benefits.....	790,058,900
Agricultural Adjustment Administration.....	619,347,000
Civilian Conservation Corps.....	220,000,000
Debt charges.....	1,385,125,000
Supplemental items (social security, railroad pensions, etc.).....	600,000,000
Refunds.....	49,403,100
Total.....	5,649,781,738

II

When these are adjusted to the Supreme Court decision on the Agricultural Adjustment Administration Act, they become as follows:

Legislative, judicial, and executive.....	\$41,835,627
Civil departments and agencies.....	1,006,220,145
National defense.....	937,791,966
Veterans' pensions and benefits.....	790,058,900

Agricultural Adjustment Administration.....	\$250,000,000
(Amount necessary to pay farmers for contracts already performed.)	
Civilian Conservation Corps.....	220,000,000
Debt charges.....	1,385,125,000
Refunds.....	49,403,100
Supplemental items.....	600,000,000
Total.....	5,280,434,738

* Press account estimate.

III

In order that comparison may be had with previous regular Budgets, the following table contains expenditures for 1937 after eliminating expenditures for the recent additions to the regular Budget; that is, the so-called Security Act, the Guffey Coal Act, Railroad Pension Act, the Agricultural Adjustment Administration, and the Civilian Conservation Corps:

Legislative, judicial, and executive.....	\$41,835,627
Civil departments and agencies.....	1,006,220,145
National defense.....	937,791,966
Veterans' pensions and benefits.....	790,058,900
Debt charges.....	1,385,125,000
Refunds.....	49,403,100
Total.....	4,210,434,738

IV

COMPARATIVE BUDGETS
(Trust funds excluded)

1927, total expenditures.....	\$3,446,000,000
1928, total expenditures.....	3,581,000,000
1929, total expenditures.....	3,794,000,000
1930, total expenditures.....	3,947,000,000
1931, total expenditures.....	4,158,000,000
1932, total expenditures, exclusive of \$500,000,000 for R. F. C. and \$125,000,000 for Federal land banks.....	4,261,000,000
1933, total expenditures, exclusive of recovery and relief, etc.....	3,866,000,000
1934, total expenditures, exclusive of recovery and relief, etc.....	2,822,000,000
1935, total expenditures, exclusive of recovery and relief, etc.....	3,128,000,000
1936, total expenditures, exclusive of recovery and relief, etc., estimated.....	3,547,000,000
1937, total expenditures, exclusive of recovery and relief, etc., and new items for purpose of comparison; estimated.....	4,210,000,000

HOW GOVERNMENT COSTS INCREASE

The estimated cost of operating the regular departments of Government under the 1937 Budget, as submitted and adjusted to the Supreme Court A. A. A. decision, is \$5,280,434,738, or \$504,201,587 more than the estimate for 1936; \$2,458,700,126 more than the actual for 1934; and over \$1,800,000,000 more than the actual for 1927.

And according to the previous tables, under the most favorable construction, the estimated cost of operating the regular establishments for 1937, without the new additions, is \$663,000,000 more than the estimate for 1936, \$1,388,000,000 more than the actual for 1934, and \$764,000,000 more than the actual for 1927.

(2) Expenditures, so-called recovery and relief budget in the extraordinary or relief and emergency category of expenditures, the 1937 Budget carries estimates of expenditures in the amount of \$1,103,000,000. This item represents expenditures from unexpended balances of previous emergency appropriations. Supporting schedule 2B of the Budget shows the unexpended balances as of October 31, 1935, to be \$6,539,676,708, and the unallocated funds to be only \$23,852,131. What has become of, and what is to be done with the remaining \$6,516,000,000?

The sum of \$878,000,000 of the \$1,103,000,000 is all absorbed in the following general categories: Public works, aids to home owners, miscellaneous, \$225,000,000 is carried simply as unallocated funds, available October 31, 1935, and thereafter.

In the category of relief and emergency, no expenditure is estimated either for relief of the unemployed or for Works Progress Administration. The month of December Treasury daily statement shows an expenditure of \$119,000,000 for Works Progress during that single month. This is at the rate of approximately \$1,440,000,000 a year. The estimate for 1936 shows estimated expenditures for this purpose of \$1,000,000,000. But the program was not fully operative until December, or until 5 of the 12 months of the fiscal year 1936 had elapsed. One billion five hundred million is, therefore, not an exaggerated estimate of the total annual cost. Assuming a reduction in unemployment of 25 percent during the fiscal year 1937 and a corresponding reduction of expenditures, an additional \$1,100,000,000 is required to be appropriated for and expended during 1937. Given the standards of compensation and the present method of administering relief moneys, this figure represents the minimum.

RELIEF EXPENDITURES LATER

There are many reasons for doubting that this figure will be the actual one. For example, in the Budget message itself the following language is to be found: " * * * second, that if work-relief appropriations by this session of the Congress were made up to a total of \$2,136,000,000, the total gross deficit for the fiscal year

1937 would not exceed that of 1936, which was the lowest gross deficit of the past 3 years. Therefore, it follows that by whatever amount the appropriation for work relief at this session is less than \$2,136,000,000, the gross deficit for 1937 will be less than the deficit for 1936 by the same amount.

"With this limitation and this excellent prospect clearly in mind, I am not including in this Budget estimates for additional relief appropriations. I shall transmit such estimates with far greater knowledge and, therefore, with greater accuracy in sufficient time before the adjournment of this session to give the Congress full opportunity to examine into the subject and to make the necessary appropriations."

Several questions arise: First, is this language an invitation to appropriate \$2,136,000,000 instead of the \$1,100,000,000 here estimated? Second, if it is difficult in January of 1936 to estimate the expenditure for relief during 1937, why was it so easy in January of 1935 to make an estimate of \$4,880,000,000 for relief expenditures in 1936? And, third, is it such an "excellent prospect" to look forward to a deficit in 1937 approximating the deficit of 1936? Three billion dollars and more is still a staggering sum of money, and in 1937 is as "destructive" a deficit as it was in 1932.

But notwithstanding doubts and questions "however reasonable", it is only fair—perhaps too fair—to assume an additional expenditure of \$1,100,000,000 for relief and Works Progress Administration. On this basis, the unemployment relief, P. W. A., C. W. A., and W. P. A. expenditures for the years 1932-37 are as follows:

1932	\$507,000,000
1933	772,000,000
1934	2,157,000,000
1935	2,954,000,000
1936 (estimated)	2,536,000,000
1937 (Budget estimate plus \$1,100,000,000)	2,203,000,000

If, of course, the expenditures for unemployment relief and W. P. A. exceed \$1,100,000,000 in 1937, then the total will be correspondingly increased. But it is only fair to give the Budget every benefit of reasonable doubt.

It is to be noted that in the emergency Budget, net R. F. C. repayments and other repayments amount to \$251,139,100 and are credited against emergency and relief expenditures.

BUDGET FORECASTS

Thus the emergency and relief budget looks somewhat as follows:

Agricultural aid:	
Federal land banks	\$64,000,000
Relief	
Public works	887,963,732
Aids to home owners, including resettlement	231,000,000
Miscellaneous	10,000,000
Unallocated funds available Oct. 31, 1935, and thereafter	225,000,000

Total	1,417,963,732
Add W. P. A. and relief	1,100,000,000
	2,517,963,732

Deduct:	
Excess credits: F. C. A. and Commodity Credit Corporation	190,139,100
R. F. C.	125,000,000
Total	315,139,100

Total, emergency and relief budget

(3) EXPENDITURES, TOTAL BUDGET

When the regular expenditures are added to the emergency budget the total is somewhat as follows:

Regular (A. A. A. payments only in amount \$250,000,000)	\$5,280,434,738
Emergency	2,202,824,632
Total	7,483,259,370

If to this there be added the bonus of \$2,000,000,000, no matter how paid, and A. A. A. refunds, and expenditures for any purpose not estimated, then the expenditures will be even greater.

COSTS AND REVENUES

But even at best, and deciding every doubt in favor of lower expenditures, the following table shows how the cost of Government has been continuously mounting:

Total expenditures	In millions
1927	\$3,446
1931	4,158
1932	4,886
1933	5,143
1934	7,105
1935	7,376
1936 (estimated)	7,645
1937 (estimated)	7,483

(4) RECEIPTS

The total estimated revenue for 1937 is \$5,654,217,650. Perhaps the increase other than from new taxes is optimistic. From this total, however, A. A. A. processing tax revenues amounting to \$547,300,000 must be deducted because of the Supreme Court

decision. Thus the estimated revenues are \$5,106,917,650. After deducting processing taxes from the 1936 estimates that represents an increase of \$1,225,165,704 over the 1936 estimates. But \$769,100,000 is due to the following new taxes levied in 1935:

Social security taxes	\$433,200,000
Railroad employees' retirement taxes	101,600,000
Bituminous coal tax	12,300,000
Increased taxes, 1935 Revenue Act	222,000,000

Total 769,100,000

Thus only \$456,065,704 is due to recovery.

Comparative receipts

	In millions
1933	\$2,080
1937	5,107

URGES ADDITIONAL TAXES

It will be recalled that the Budget contains no 1937 estimate of expenditures for relief or Works Progress Administration. Yet the Budget message contains the following language: "If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges."

Does this mean that the additional estimate of appropriations and expenditures for relief to be submitted later to the Congress is to be accompanied by a corresponding increase in taxes?

(5) DEFICIT

A reconstruction of the Budget based on the foregoing analysis is as follows:

Expenditures:	
Regular (A. A. A. only to fill contracts)	\$5,280,434,738
Relief and emergency	1,102,824,632
Additional W. P. A. and unemployment relief	1,100,000,000
Total expenditures	7,483,259,370
Receipts:	
Total (omitting A. A. A.)	5,106,917,650
Deficit	2,376,341,720

Obviously, unless additional taxes are imposed, any additional expenditures, whether for the bonus, farm subsidies, or what not, will correspondingly increase the deficit.

(6) RECOVERABLES

The following table shows the deficits for the years 1931-37 and the amount of the deficits accounted for by Reconstruction Finance Corporation recoverable expenditures:

Year	In millions	Recoverable Reconstruction Finance Corporation expenditures
1931	\$902	None
1932	3,148	\$767
1933	3,063	979
1934	3,989	1,274
1935	3,575	1,135
1936	3,234	1,215
1937	2,376	1,251

¹ Net repayment (including agricultural items, Commodity Credit Corporation).

Consequently recoverables are now being used to meet current expenditures.

(7) Recapitulations.

In concise form, the record discloses:

(1) An administration committed in 1932 and 1933 to "a complete and honest balance of the Federal Budget and reduction of expenditures as the greatest possible present contribution to recovery."

(2) During the last of the 4 years of responsibility regular expenditures greater than during any preceding peacetime year.

(3) Total expenditures for the last year of office approximately two and a quarter billion dollars greater than in 1933.

(4) Liquidation of assets to pay for current expenditures.

(5) An accumulated 4-year deficit of more than \$13,000,000,000.

(6) For the last of the 4 years of responsibility a deficit of approximately \$2,400,000,000.

(7) Revenues during the last of the 4 years of responsibility approximately \$3,000,000,000 more than in 1933.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROMJUE, indefinitely, on account of illness in his family.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes; and

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1837. An act for the relief of W. W. Cook; and
S. 2889. An act for the relief of the Bend Garage Co. and the First National Bank of Chicago.

ADJOURNMENT

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 11, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

703. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Manomet Point, Plymouth Harbor, Mass., with a view to constructing a breakwater, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

704. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Lewis Creek, Ohio County, Ky., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALTER: Committee on the Judiciary. H. R. 11072. A bill authorizing the appointment of an additional district judge for the eastern district of Pennsylvania; without amendment (Rept. No. 2148). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 10985. A bill to repeal Public Law No. 246 of the Seventy-second Congress; without amendment (Rept. No. 2149). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRIVER: Committee on Rules. House Resolution 446. A resolution for the consideration of S. 3998; without amendment (Rept. No. 2150). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11669) granting a pension to Annie Callahan, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR: A bill (H. R. 11714) to equalize taxation, prevent evasion, and provide revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN: A bill (H. R. 11715) to amend the World War Veterans' Act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

By Mr. DIMOND: A bill (H. R. 11716) to extend the Independent Offices Appropriation Act, 1935; to the Committee on the Territories.

By Mr. LEMKE: A bill (H. R. 11717) prohibiting the making of any form of vaccination or inoculation a condition

precedent to admission to any public or private school or college or the exercise and enjoyment of any right or privilege in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCLELLAN: A bill (H. R. 11718) authorizing the Secretary of War to correct certain records relating to the service of officers and enlisted men of the Union and Confederate Armies; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 11719) to readjust the pay of warrant officers; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 11720) relating to pay and promotion of noncommissioned officers of the Army; to the Committee on Military Affairs.

By Mr. SMITH of Washington: A bill (H. R. 11721) to provide for the construction of a post-office building at Winlock, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. TERRY: A bill (H. R. 11722) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; to the Committee on Flood Control.

By Mr. CONNERY: A bill (H. R. 11723) to provide educational employees of the public schools of the District of Columbia with leave of absence with part pay for purposes of educational improvement, and for other purposes; to the Committee on the District of Columbia.

By Mr. MAVERICK: A bill (H. R. 11724) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. PIERCE: A bill (H. R. 11725) for the taxation of oleomargarine; to the Committee on Agriculture.

By Mr. BULWINKLE: A bill (H. R. 11726) to continue in effect a certain lease for the quarters of the post office, at Grover, N. C., and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN: A bill (H. R. 11727) to provide for the national defense by promoting the development and improvement of military aircraft, and for other purposes; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 11728) to provide for the removal of the monument to Casimir Pulaski from the triangle at Pennsylvania Avenue, Thirteenth Street, and E Street NW, to the east end of the triangle formed by Pennsylvania Avenue, E Street, and Fifteenth Street, in the city of Washington, D. C., and to authorize the appropriation therefor; to the Committee on the Library.

By Mr. McGEHEE: A bill (H. R. 11729) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEA of California: A bill (H. R. 11730) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. KENNEY: Resolution (H. Res. 444) authorizing the Committee on the Judiciary to investigate the feasibility of rehabilitating convicted criminals by requiring them to live a pioneer life on penal islands; to the Committee on Rules.

By Mr. MAY: Resolution (H. Res. 445) authorizing the Committee on Military Affairs to investigate the removal from command of Maj. Gen. Johnson Hagood; to the Committee on Rules.

By Mr. BELL: Resolution (H. Res. 447) authorizing the expenditure of not more than \$50,000 by the select committee of eight Members of the House instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension schemes, authorized by House Resolution 443; to the Committee on Accounts.

By Mr. McGROARTY: Resolution (H. Res. 448) to make H. R. 7154, a bill which has for its purpose the paying of a reasonable old-age pension and more liberal distribution of the purchasing power of the people of this Nation, a special order of business; to the Committee on Rules.

By Mr. BLOOM: Joint resolution (H. J. Res. 518) making appropriations for the fabrication, transportation, and erection of the Navy and Marine Memorial Monument; to the Committee in Appropriations.

Also, joint resolution (H. J. Res. 519) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding the hospitalization and treatment of honorably discharged war veterans; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of Mississippi, regarding the allocation of Works Progress Administration funds for the erection of cold-storage plants and warehouses in the State of Mississippi; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York: A bill (H. R. 11731) for the relief of LaVantia H. Simmons; to the Committee on Claims.

By Mr. CASEY: A bill (H. R. 11732) for the relief of Minnie M. Sears; to the Committee on Claims.

By Mr. DOXEY: A bill (H. R. 11733) for the relief of Henry Thornton Meriwether; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 11734) granting an increase of pension to Mary A. Ballard; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 11735) for the relief of Charles H. Kinzie; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H. R. 11736) granting a pension to Kelly Rister; to the Committee on Pensions.

By Mr. WILCOX: A bill (H. R. 11737) for the relief of the National Surety Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10468. By Mr. ANDREW of Massachusetts: Memorial of the General Court of Massachusetts, protesting against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10469. By Mr. COLDEN: Letter signed by H. A. Farmer, secretary, Industrial Union of Marine and Shipbuilding Workers of America, Local No. 9, 401 Harbor Boulevard, San Pedro, Calif., dated February 29, 1936, with copy of resolution mentioned therein alleging noncompliance of the Bethlehem Shipbuilding Corporation and its subsidiaries with the Wagner-Connery Act, and asking that the House of Representatives call upon the Navy Department to cancel all existing contracts and refuse to enter into other contracts with the Bethlehem Shipbuilding Corporation or its subsidiaries until such time as this corporation complies with the law; to the Committee on Labor.

10470. By Mr. FISH: Petition of 44 residents residing on the main highway, on the outskirts of Newburgh, N. Y., protesting against the statements of a number of members of the Committee on the Post Office and Post Roads eulogizing the services of the Post Office Department; their grievances are that the Post Office Department formerly had four rural carriers, serving these patrons, who received their mail between the hours of 9 and 11 a. m., whereas now there are only three rural carriers, and mail service is unsatisfactory, the morning mail being delivered in some instances as late as 6 p. m.; to the Committee on the Post Office and Post Roads.

10471. By Mr. GOODWIN: Petition of the Livingston Manor Grange, No. 1426, Sullivan County, N. Y., unanimously opposing the so-called water-carriers bill; to the Committee on Interstate and Foreign Commerce.

10472. By Mr. GRAY of Pennsylvania: Petition of citizens and patrons of star route no. 10272, from Indiana to Cherry Run, Armstrong County, Pa., requesting enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10473. By Mr. JOHNSON of Texas: Petition of J. E. Hintz, of Mexia, Tex., favoring extension of title I of the National Housing Act; to the Committee on Banking and Currency.

10474. By Mr. LAMBETH: Petition signed by 54 patrons of star route no. 18388, Denton to Eldorado, N. C., asking for the enactment of legislation that will indefinitely extend all existing star-route contracts and for increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10475. By Mr. LESINSKI: Resolution of the directors of the Oil and Gas Association of Michigan, urging the enactment of House bill 10483, providing for a limitation of the imports of crude petroleum and increase in the excise tax for crude oil and refined products imported into this country; to the Committee on Interstate and Foreign Commerce.

10476. Also, resolution of the Michigan Association of Road Commissioners and Engineers, urging the Michigan Representatives to Congress to support the continuation of Federal aid to the States at the minimum of \$125,000,000 per year; to the Committee on Appropriations.

10477. Also, resolution of the Michigan Retail Lumber Dealers Association, Lansing, Mich., urging the extension of title I of the National Housing Act for a 2-year period beyond April 1, 1936; to the Committee on Banking and Currency.

10478. By Mr. MAVERICK: Petition of residents of Berea, Ky., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10479. Also, petition of residents of Toledo, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10480. Also, petition of residents of Madison, Wis., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10481. Also, petition of residents of Cincinnati, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10482. Also, petition of residents of Summerfield, Kans., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10483. Also, petition of residents of Yellow Springs, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10484. Also, petition of residents of Newark, Wilmington, Elmhurst, and Richardson Park, Del., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10485. Also, petition of resident of Durand, Mich., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10486. Also, petition of residents of Bloomington, Ind., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10487. Also, petition of residents of Altoona, Pa., protesting against the military disaffection bill (S. 2253) and the

Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10488. Also, petition of residents of Pontiac, Mich., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10489. By Mr. SCOTT: Petition of residents of Penryn and Newcastle, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10490. Also, petition of residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10491. Also, petition of residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10492. Also, petition of residents of Altoona, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10493. By Mr. SHORT: Petition of 31 residents of Douglas County, Mo., supporting legislation providing for permanent tenure of service on star routes and pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

10494. By Mr. TAYLOR of Colorado: Petition of citizens of Clark and Hahns Peak, Colo., requesting passage of legislation indefinitely extending all existing contracts for star-mail routes, etc.; to the Committee on the Post Office and Post Roads.

10495. By Mr. THOMASON: Petition of citizens of Valentine, Tex., urging passage of House bill 10663, seeking to amend the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

10496. By Mr. WOLVERTON: Petition of residents of the First Congressional District of New Jersey, favoring the enactment of a prohibition law for the District of Columbia; to the Committee on the District of Columbia.

10497. Also, petition of residents of the First Congressional District of New Jersey, favoring the enactment of a prohibition law for the District of Columbia; to the Committee on the District of Columbia.